



國泰君安國際  
GUOTAI JUNAN INTERNATIONAL

Stock Code 股份代號 : 1788.HK

STEADY  
穩 AND  
健 LEADING  
領先

ESG

2024

環境、社會及管治報告  
ENVIRONMENTAL, SOCIAL  
AND GOVERNANCE  
REPORT

將環境、社會、管治 (ESG) 因素融入公司經營管理各個環節，全方位提升綠色金融服務能力，促進經濟社會高質量發展。

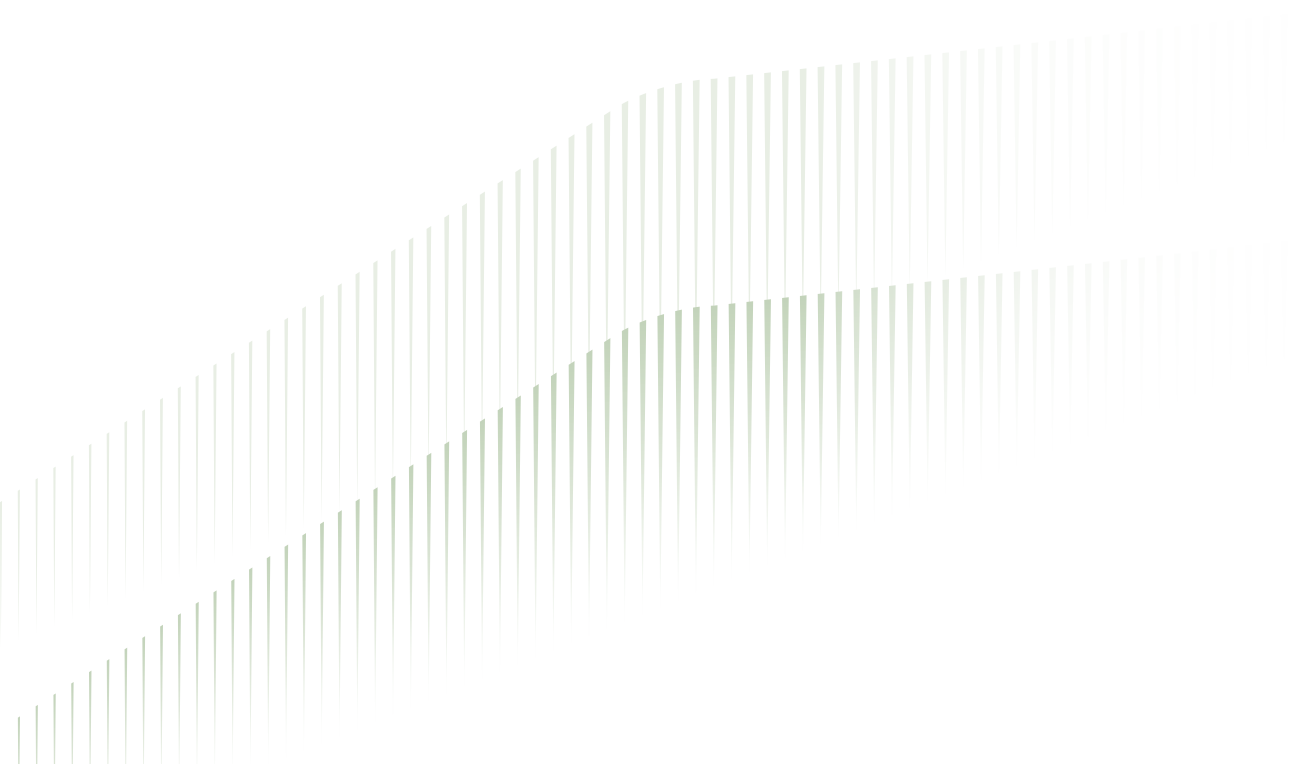
Integrate Environmental, Social, and Governance (ESG) factors into all aspects of Company's operations and management, comprehensively upgrade green finance and service capabilities, promote high-quality economic and social development.



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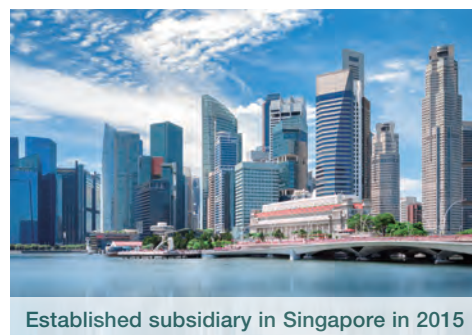
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# 1. About Guotai Junan International



## About Guotai Junan International

Guotai Junan International has been established in Hong Kong for over 30 years. In 2010, it became the first Chinese securities company approved by the China Securities Regulatory Commission for listing its shares on the Main Board of the Stock Exchange through an IPO.

As one of the leading international financial centers, Hong Kong is a prime location for financial services and home to many large financial institutions. Strategically located in the heart of Asia, Hong Kong is closely integrated with the Mainland China and well-connected globally. Its robust legal system, straightforward and low tax regime, free flow of capital, comprehensive range of financial products and services, and abundant financial expertise contribute to long-term competitiveness of Hong Kong as a financial hub. Adhering to the vision of being “based in Hong Kong, supported by the Mainland China and serving the world”, the Group expands its business development into the Greater Bay Area and Southeast Asia through subsidiaries in Singapore, Vietnam and Macao, serving as a conduit linking high-quality enterprises with capital markets in China and the world. Leveraging the strong brand advantage of the parent company, its extensive customer base, and robust capital support, the Company plays a pivotal role in the parent company’s international development strategy and paves the way for its global development.

## Our Business

In recent years, the Company has fully implemented its diversified development strategy, successfully transforming from a “brokerage oriented” securities firm into a large “integrated financial services provider” with a broad range of business sectors. With solid business capabilities and a strong shareholder background, the Group has developed four core business segments: wealth management, institutional investor services, corporate finance services, and investment management.



## 2. Message from the Board



We are delighted to release the “Guotai Junan International 2024 ESG Report”. This report is not only an important footnote to our sustainable development journey but also demonstrates the Company’s firm commitment and unremitting pursuit of responsible business practices. In 2024, Guotai Junan International made all-round efforts in the ESG development, and its outstanding achievements have confirmed the determination to deeply integrate the ESG concept into all aspects of its operations, injecting strong impetus into the high-quality development of the enterprises and the sustainable progress of society.

In the field of sustainable finance, we have delivered an excellent performance. In 2024, the Company successfully completed 90 sustainable financing projects with a total issuance volume of HK\$179.8 billion, doubling the number of projects and more than doubling the issuance scale compared with 2023. From green bonds and sustainable bonds to IPO projects in green and sustainable industries, we have provided diversified products and services to help our clients accelerate their low-carbon transformation and promote the green development of the economy. At the same time, the Company has deeply integrated the ESG concept into the entire investment process. Through scientific screening, dynamic monitoring, active communication, and professional evaluation, it ensures that the investment portfolio not only has economic benefits but also social responsibilities. In 2024, we launched the first multi-currency sustainability-linked loan in the securities industry in Hong Kong and the Mainland China, setting a benchmark for the sustainable development of the industry.

In terms of environmental protection, we have taken firm steps and set a model in the industry. The total GHG emissions have decreased for four consecutive years, and we have achieved carbon neutrality at the operational level for two consecutive years. These milestone achievements are a powerful testament to the Company’s active response to climate change and its strengthened environmental management.

## 2. Message from the Board

We are well aware that the development of the Company is closely related to social well-being. With the theme of “Love • Infinity, Green • Future”, we have actively engaged in social welfare undertakings, focusing on helping vulnerable groups and environmental sustainable development. We have conveyed warmth and care with practical actions and promoted social harmony and integration.

A sound governance structure is a solid guarantee for the implementation of the ESG strategy. We have always adhered to the governance principles of transparency, compliance, and integrity, integrated ESG requirements into the Company’s governance system, ensured that business activities are legal and compliant, steadily promoted the sustainable development strategy, and created value for stakeholders.

In the past year, the Company’s ESG practices have been widely recognized by international authoritative institutions. MSCI has upgraded the Company’s ESG rating to “A”. Wind ESG and SynTao Green Finance have also awarded the Company an “A” rating, indicating that the Company’s outstanding performance and strategic determination in the field of sustainable development have been highly recognized. Standard & Poor’s has also increased the Company’s ESG score, making us stand out among global peers, with a score surpassing 84% of our counterparts. At the same time, the Company has won ESG-related awards issued by quite a number of international authoritative institutions such as “Institutional Investor”, “The Asset”, “Bloomberg Businessweek”, and “Corporate Governance Asia”, marking the Company’s prominent position in the ESG field. These honors are a high commendation for our long-term efforts and a strong driving force to inspire us to keep making breakthroughs.

Looking ahead, Guotai Junan International will continue to take the development vision of “Based in Hong Kong, Backed by the Motherland, and Serving the World” as its guide and deeply integrate the ESG concept into its strategic planning and business operations. With innovation as the engine, cooperation as the link, and responsibility as the cornerstone, we will move forward firmly on the path of sustainable development, create greater value for stakeholders, and contribute more to building a sustainable and prosperous future!

Finally, we would like to express our heartfelt gratitude to all stakeholders for their trust and support. In the future, let us join hands and work together to draw a new blueprint for ESG development and write a new chapter in sustainable development!

**The Board**  
**Guotai Junan International**







### 3. Contributing to UNSDGs

The Company continues to exemplify its dedication to sustainable business practices by aligning its ESG action plan with the UNSDGs. Our commitment extends beyond delivering financial returns to shareholders, focusing equally on fostering a sustainable future for stakeholders throughout our value chain and the wider community.




UNSDGs	The Group Actions/Commitments
<div><div><div>3</div><div>GOOD HEALTH AND WELL-BEING</div><div></div></div><div>Target 3.8</div></div>	<ul style="list-style-type: none"><li>• Providing medical insurance packages, life insurance, disability insurance, business travel insurance, annual medical check-ups and dental benefits to ensure quality healthcare benefits for employees</li><li>• Organizing health and wellness workshops focused on mental and physical well-being to support employees' overall health</li></ul>
<div><div><div>4</div><div>QUALITY EDUCATION</div><div></div></div><div>Targets 4.4, 4.7</div></div>	<ul style="list-style-type: none"><li>• Partnering with GTHT e-learning academy (國泰海通金融學院), offering employees access to over 10,000 online training courses in a diverse range of topics</li><li>• Maintaining an e-learning platform for all employees, covering subjects such as product knowledge, cybersecurity, credit and market risk management and corporate social responsibility, as well as code of conduct, including conflicts of interest, protecting information, bribery, corruption, insider dealing, whistleblowing and ESG practices</li></ul>
<div><div><div>5</div><div>GENDER EQUALITY</div><div></div></div><div>Targets 5.1, 5.5</div></div>	<ul style="list-style-type: none"><li>• Promoting equal employment opportunities and eliminating gender discrimination in the recruitment process</li><li>• Ensuring that gender equality-related awareness is integrated into daily work practices and the corporate culture</li></ul>
<div><div><div>7</div><div>AFFORDABLE AND CLEAN ENERGY</div><div></div></div><div>Targets 7.2, 7.3</div></div>	<ul style="list-style-type: none"><li>• Integrating energy-saving initiatives into the office, such as upgrading office appliances to enhance energy efficiency</li><li>• Prioritizing sectors focused on improving energy use, such as electric vehicles and renewable energy, in investment decisions</li><li>• Assisting in financing green projects that utilize renewable or clean energy to support the global advancement of energy efficiency and the increase in the adoption of renewable energy worldwide</li></ul>
<div><div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div><div></div></div><div>Targets 8.3, 8.4, 8.6</div></div>	<ul style="list-style-type: none"><li>• Supporting the sustainable development of the broader economy by investing in high-quality, innovative and sustainable companies, and assisting clients in financing ESG-related projects</li><li>• Maintaining a Management Trainee Program to provide university graduates with the skills and knowledge essential for a career in the financial services industry</li></ul>

## 3. Contributing to UNSDGs

UNSDGs	The Group Actions/Commitments
 <p>Target 9.4</p>	<ul style="list-style-type: none"> <li>Assisting clients in raising capital to adopt clean and green technologies for sustainable growth. Supporting the fundraising efforts of an enterprise that drives green low-carbon transformation and upgrading, alongside initiatives in carbon capture, utilization and storage, as well as low-carbon operational management</li> </ul>
 <p>Targets 12.2, 12.5</p>	<ul style="list-style-type: none"> <li>Implementing a range of water-saving and waste reduction measures</li> <li>Initiating waste recycling and reuse campaigns</li> <li>Adopting and promoting green procurement practices while incorporating ESG factors into the tendering process to better manage environmental and social risks in the supply chain</li> </ul>
 <p>Target 13.1</p>	<ul style="list-style-type: none"> <li>Identifying climate-related risks and opportunities while taking proactive measures to enhance climate resilience and reduce environmental impact</li> <li>Updating the Climate Change Policy by refining the climate change-related responsibilities at all levels within the organization</li> <li>Exploring green and sustainable finance opportunities to invest in and support companies committed to making a positive impact on environmental sustainability</li> </ul>
 <p>Targets 16.3, 16.5</p>	<ul style="list-style-type: none"> <li>Establishing a comprehensive and effective risk management and internal control system</li> <li>Conducting business with the highest ethical standards and maintaining zero tolerance for any form of bribery, corruption, extortion, or fraud</li> <li>Requiring all employees to participate in anti-bribery and corruption training</li> </ul>

## 4. ESG Highlights and Milestone

### 4.1. Performance Highlights

 <p>Financial Performance</p>	<p>Revenue:</p> <p><b>HK\$4,422</b> million</p> <p>Cumulative Dividends Since Its Listing:</p> <p><b>HK\$6.08</b> billion</p> <p>Credit Rating by Moody's:</p> <p><b>Baa2/Prime-2</b></p>	<p>Profit Attributable to Owners of The Company:</p> <p><b>HK\$348</b> million</p> <p>Credit Rating by Standard &amp; Poor's:</p> <p><b>BBB+/A-2</b></p>
 <p>Sustainable Finance Performance</p>	<p>Total Number of Sustainable Finance Business Projects:</p> <p><b>90</b></p>	<p>Sustainable Finance Business Total Issuance Scale:</p> <p><b>HK\$179.8</b> Billion</p>
 <p>Environmental Performance</p>	<p>Energy Consumption Intensity:</p> <p><b>0.01</b> MWh/sq. ft</p> <p>Hazardous Waste Recycling Rate:</p> <p><b>100%</b></p> <p>Achieved <b>Carbon Neutrality</b> at Operational Level for the Second Consecutive Year</p>	<p>Total Non-hazardous Waste:</p> <p><b>16.46</b> tonnes (decreased 16% vs FY2023)</p>

4. ESG Highlights and Milestone



Social  
Performance

Female Staff Percentage:  
**45%**

Employee Total Training Hours:  
**18,986.7** Hours  
(increased 792.8 hours vs FY2023)

Employee Average Training:  
**30.48** Hours

Customer Complaint Settlement Rate:  
**100%**

Total Hours for Volunteer Services:  
**502.5** Hours  
(increased 144 hours vs FY2023)

Staff Satisfaction Rate:  
**90%**



ESG  
Governance  
Achievement

Enhanced Climate  
Change Policy

Annual ESG Issues-related  
Stakeholder Survey Engagement:  
**558** Responses  
(FY2023: 442)

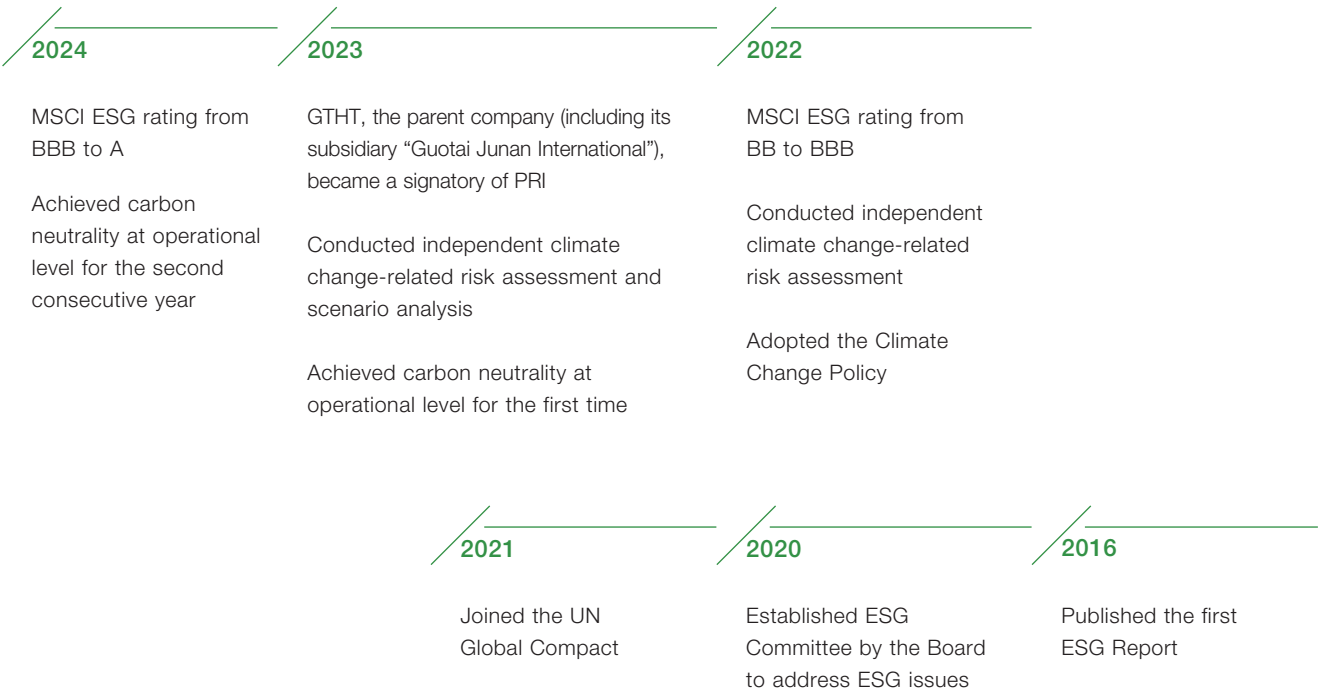
Female Directors in the Board  
**25%**



4. ESG Highlights and Milestone








4.2. ESG Milestone










## 4. ESG Highlights and Milestone

## 4.3. Awards and Achievements

ESG Ratings	Highlights
	In October 2024, MSCI upgraded the Company's ESG rating to "A".
	In 2024, the Hong Kong Quality Assurance Agency (HKQAA) Sustainability Rating was maintained at "BBB+".
	In December 2024, S&P assigned the Company an ESG score of 40, leading nearly 84% of peers globally.
	In 2024, Wind ESG assigned the Company an ESG rating of "A".
	In 2024, SynTao Green Finance assigned the Company an ESG rating of "A".
ESG Memberships	Highlights
	GTHT, the parent company (including its subsidiary "Guotai Junan International"), has become a signatory for PRI since 2023, committing to follow the six principles for responsible investment.
	As the first Chinese securities firm in Hong Kong joined the UN Global Compact, the Group submitted annual Communication on Progress (CoP) for the consecutive year since 2021, disclosing the practical actions it has taken or planned to implement the 10 principles of the UN Global Compact in four areas: Human Rights, Labor, Environment and Anti-corruption.
	As an institution member of Hong Kong Green Finance Association, the Group participates in 1) Green and Sustainable Private Equity Working Group; 2) Green Bonds and Product Innovation Working Group; and 3) ESG Disclosure and Integration Working Group, jointly supporting and promoting the development of green finance and green investment concepts.

## 4. ESG Highlights and Milestone

ESG Awards and Charters	Highlights
 	<p>HR Asia :</p> <ul style="list-style-type: none"> <li>• Best Companies to Work for in Asia 2024</li> <li>• Diversity, Equity, and Inclusion Awards</li> </ul>
	<p>Institutional Investor :</p> <p>Best ESG</p>
	<p>Bloomberg BusinessWeek “ESG Leading Enterprises 2024” :</p> <ul style="list-style-type: none"> <li>• ESG Leading Enterprises</li> <li>• ESG Leading Initiatives - Sustainable Finance</li> </ul>
	<p>The Asset “Triple A Sustainable Finance Awards 2024”:</p> <ul style="list-style-type: none"> <li>• Best Biodiversity-Themed Bond – Provincial Government</li> <li>• Best Sustainability Bond – Local Government</li> <li>• Best Green Bond – Financial Institution</li> <li>• Best Green Bond – Free Trade Zone</li> </ul>
	<p>“Hong Kong Green and Sustainable Finance Awards 2024” of Hong Kong Quality Assurance Agency:</p> <p>Outstanding Award for Green and Sustainable Loan Issuer (Securities Financial Services Industry) - Visionary Sustainability-linked Loan Performance Metrics</p>
	<p>Corporate Governance Asia “The 14th Asia Excellence Awards”:</p> <ul style="list-style-type: none"> <li>• Best Investor Relations Company</li> <li>• Sustainable Asia Award</li> </ul>
	<p>Gelongsui “Jingge Award” :</p> <p>ESG Investment Excellence Securities Company</p>

## 4. ESG Highlights and Milestone

## ESG Awards and Charters

## Highlights



“Caring Company” recognized by The Hong Kong Council of Social Service for the 10th consecutive year in 2024.



“Family-Friendly Employers Award” awarded by Hong Kong Family Council since 2018.



“Happy Company Award” for the 7th consecutive year in 2024 awarded by the Promoting Happiness Index Foundation and Hong Kong Productivity Council.



Participated in the “Good Employer Charter” Scheme launched by the Hong Kong Labor Department for the sixth consecutive year in 2024.



“Mental Health Workplace Charter” granted by Hong Kong Department of Health, Labor Department, and Occupational Safety and Health Council since 2021.



Participation in the Green Office and Eco-Healthy Awards Labelling Scheme launched by World Green Organization in 2024



## 5. ESG Governance



### 5.1. ESG Vision, Objectives and Strategies

On the path to becoming a “Well Respected, Comprehensively Leading and Internationally Competitive” financial services provider, the Group steadfastly adheres to its philosophy of “Finance for the Good” and “Finance for the People”. The Group regards sustainability as a fundamental pillar for long-term development, and is proactively integrating ESG principles into its business operations and management.

#### ESG Vision

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

#### ESG Policy

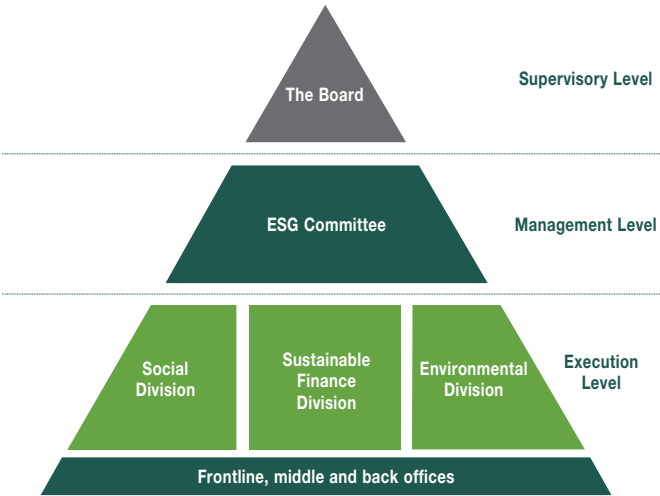
The Group has its ESG Policy in place, setting out specific management measures and strategies to meet its ESG objectives in four focus areas (as set out hereunder) and clarifying the overall direction of the Group’s ESG development in the next few years.

## Focuses in ESG Policy

 <p><b>People</b></p>	<ul style="list-style-type: none"> <li>• Provide equal employment opportunities, foster a supportive and quality working environment, advocate a diverse and inclusive workplace and culture, uphold employees' rights and interests, and facilitate meaningful communications within the Group.</li> </ul>
 <p><b>Environment</b></p>	<ul style="list-style-type: none"> <li>• Address environmental issues and reduce the environmental impact. Going beyond compliance with applicable legal and regulatory requirements, the Group's objective is to assess, avoid and mitigate environmental risks and impacts arising from its activities.</li> </ul>
 <p><b>Business</b></p>	<ul style="list-style-type: none"> <li>• For sustainable finance, the Group adheres to promoting sustainable business practices while improving the risk return profile of the overall portfolio;</li> <li>• For product responsibility, the Group's objective is to gain customer trust in products and services, and to provide sufficient information to them to make informed investment decisions; and</li> <li>• For supply chain management, the Group's objective is to reduce environmental and social risks along with the supply chain.</li> </ul>
 <p><b>Community</b></p>	<ul style="list-style-type: none"> <li>• As one of the integrated financial institutions in Hong Kong, being a part of the society, the Group's objective is to support the community through our professional services and a diverse range of initiatives such as providing charity supports and taking part in volunteer activities.</li> </ul>

5. ESG Governance

5.2. ESG Governance Structure



ESG Governance Structure		Major Duties
Supervisory Level		
The Board	The highest governing body of the Group’s ESG issues and is ultimately responsible for overseeing matters concerning ESG (including climate change issues) of the Group, covering ESG-related risks, material issues, governance, policies, objectives and strategies, performance, and reporting.	
Management Level		
ESG Committee	Chaired by INED, members include persons in charge of relevant departments, including corporate governance, legal and compliance, risk management, and human resources functions as well as asset management and investment businesses.	
	Established by the Board as a functional committee. Advising and enhancing the Group’s ESG management by setting the sustainability vision and strategies, identifying ESG risks (including climate change risks) and opportunities, and ensuring compliance with ESG policies and regulations. Developing and reviewing ESG policies, engaging with stakeholders, and monitoring ESG trends that may affect the Group’s operations.	
	Please refer to the paragraph headed “ESG Committee” under the “Corporate Governance Report” of the 2024 Annual Report of the Company for details.	
Execution Level		
ESG Working Group	For better execution of the ESG policies and plans, the ESG Working Group is set up under the ESG Committee and comprises functional divisions, namely Sustainable Finance Division, Environmental Division, and Social Division. Members include persons in charge of frontline, middle, and back offices.	
	Each functional division is responsible for setting targets and formulating specific work plans according to the Group’s ESG strategies and goals.	
Frontline, middle and back offices	Integrate ESG considerations into daily operations, implement ESG work plans, achieve ESG targets, gather ESG information, and report back to the ESG Working Group.	

## 5.3. ESG Risk Management and Internal Controls

### 5.3.1. Risk Management Policies and Practice

#### *Risk Management and Control Culture*

A strong risk management framework and a solid control culture are essential components for effective risk mitigation and the long-term success of the Group. The risk culture establishes behavioral norms for both individuals and the Group, shaping their collective ability to manage and respond to current and future risks.

#### *Risk Management Governance*

Risk Management Structure	Major Duties
<b>Supervisory Level</b>	
The Board	The Board ensures there is an effective system of risk management and internal control in place and is ultimately responsible for supervising the Group's overall risk policy and management.
Risk Committee of the Board	The Risk Committee of the Board is delegated to oversee the management in design, implementation and monitoring of risk management system, and review and approve the Group's risk management strategies, risk appetite, risk tolerance, and material risk limits. The Risk Committee of the Board reviews the effectiveness of the Group's risk management system (including legal and compliance risks which cover anti-bribery and corruption and AML issues, etc.). CRO and CCO are accountable to the Risk Committee of the Board.
<b>Management Level</b>	
Management and Management Committees	<p>The management and specific committees including but not limited to the Asset Liability Management Committee, Risk Management Committee, Investment Banking Committee, Institutional Business and Trading Committee, Retail and Wealth Management Committee and Investment Committee are responsible for endorsing risk appetite and limits across business units, products, legal entities, and risk categories, in alignment with the enterprise risk appetite. They also approve new products and significant transactions, while conduct regular reviews of all risks.</p> <p>The management shall, regularly and when necessary, report to the Board on material risk issues that may affect the Group's performance.</p>
<b>Execution Level</b>	
Risk Management Functions	The Risk Management Department and other control functions namely legal and compliance, settlement/operation, IT, human resources and finance departments, perform independent risk management, oversee the Company's risk-taking activities and assess risks and issues independent of frontline units, as well as escalate any risk-related issues to the management and committees appropriately.



## 5. ESG Governance

### *Risk Management Policies and Procedures*

The Group has established comprehensive risk management policies and procedures, including the Risk Framework, which serves as a blueprint for defining risk appetite and associated limits for business activities. It outlines the responsibilities of frontline units, risk management, internal audit, and other control functions in managing risks. Additionally, it details the Group's risk management approach and identifies key types of risks, ensuring alignment with regulatory expectations, including those set by the SFC.



To manage significant risks effectively, the Group has implemented various policies and guidelines supported by mechanisms for identifying, measuring, monitoring, and managing risks. Regular reviews and updates of these policies and procedures ensure they remain aligned with market dynamics and evolving business strategies. The Group also provides continuous guidance to its subsidiaries and employs centralized management at the group level to enhance risk management capabilities and ensure compliance with local regulatory requirements across all operations.

Recognizing the importance of ESG considerations, the Group has integrated ESG risk factors into its Risk Framework to promote awareness and strengthen ESG risk management across all business lines. The ESG Risk Management Policy, introduced in 2023, formalizes the necessary practices and processes for managing ESG-related risks in a holistic manner across all business activities, including but not limited to credit, investment, corporate finance, and asset management. The policy outlines general escalation requirements and processes within both the Risk Framework and ESG guidelines.

### *ESG Risk Management Measures for Investment and Financing Activities*

In managing its investment portfolios, the Group takes a comprehensive approach to ESG risk management. This includes a negative screening process to exclude industries with high ESG risks and a structured screening mechanism that begins with an initial ESG assessment based on pre-defined criteria and scores. Qualified investments are then subject to detailed analysis before proceeding to the approval stage, which may involve management. The screening process applies minimum ESG score thresholds, sector exclusions, and controversy reviews to ensure that companies with significant controversies or those misaligned with PRI are excluded. The Group emphasizes continuous monitoring, with regular updates to ESG scores and annual reviews of the screening criteria to ensure their continued effectiveness. External data sources and internal systems support the comprehensive assessment of ESG factors.

## 5. ESG Governance

The Group also integrates ESG considerations into credit rating assessments and embeds ESG due diligence within its standard credit risk evaluation processes. The Credit Risk team is involved by conducting thorough ESG due diligence for financing activities, assessing clients' ESG performance across multiple dimensions. This includes reviewing clients' ESG scores from independent sources, ESG reports, and credit ratings, to gain a comprehensive view of their ESG performance. For clients in high-risk sectors, the team applies enhanced scrutiny to ensure more rigorous evaluations. To address significant ESG-related credit risks, the Risk Management Department collaborates with business units to tailor the due diligence process for clients in industries with heightened ESG risk. If significant credit risks are identified, the Risk Management Department escalates the matter to the Risk Management Committee for further action. Additionally, the Risk Management Department integrates ESG considerations into daily public opinion monitoring, enabling relevant risk teams to promptly address significant ESG risk events.

#### *Risk Assessment and Actions*

The Group conducted a comprehensive ESG risk assessment and developed an ESG risk inventory. This inventory is reviewed annually to reflect insights from global ESG market trends and key risks relevant to the financial services industry and the Group's operations. The assessment process involved a detailed questionnaire survey, with responses gathered from the Board, management, and representatives across various business departments. ESG risks were assessed using two key criteria: the likelihood of occurrence and the severity of impact. These assessments were used to calculate risk priority numbers, enabling the Group to effectively identify and prioritize its most critical ESG risks. A summary of the key ESG risks is outlined below:



#### **Compliance risk**

##### **Potential Impacts**

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

##### **Management Measures of the Group**

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



#### **Corruption and money laundering risk**

##### **Potential Impacts**

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

##### **Management Measures of the Group**

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

## 5. ESG Governance



### Information security risk

#### Potential Impacts

Failure of IT systems due to malicious attacks may result in data leakage or business disruption, causing financial and reputational damage

#### Management Measures of the Group

- Update the Information Technology Risk and Security Policy in 2024
- Designate committee to monitor the effectiveness of IT systems and online trading platforms
- Appoint external IT experts to conduct annual cybersecurity audit
- Formulate emergency and recovery plans to respond to cyber-attacks
- Provide cybersecurity training for employees regularly



### Environmental pollution risk

#### Potential Impacts

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

#### Management Measures of the Group

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

## 5. ESG Governance

Effective ESG risk management is a core priority for the Group, particularly in addressing risks that could impact its operations and financial stability. The Group enhanced its ESG risk assessment framework by integrating climate-related risks, including physical and transition risks, in collaboration with a third-party sustainability consulting firm. Two distinct scenarios were developed to evaluate these risks under various conditions. The scope of these assessments, along with scenario analyses, forming a foundation for strengthening climate mitigation efforts and enhancing the Group's overall climate resilience.

To support its frontline businesses, the Group has implemented business line-specific ESG policies and strategies. These include the Asset Management Proxy Voting Policy and Climate-related Risk Management Policy for the asset management business, Guidance on ESG-related Investment for the private equity business, and the ESG Sustainable Finance Policy for the principal investment business. ESG considerations have been embedded into the CDD process to mitigate related ESG risks. Designated ESG personnel within business units are responsible for conducting detailed ESG assessments and assigning ESG scores to guide investment decisions. For more details on sustainable finance and investment decision-making, please refer to Section 8: Green and Sustainable Finance of this report.

Each business unit and function within the Group actively engages in a structured process to identify ESG risks specific to their operations and activities. Once potential ESG risks are identified, each unit evaluates their potential impact on operations, reputation, and overall business sustainability. This evaluation considers both direct and indirect effects, such as financial losses, legal repercussions, and reputational harm. Based on this analysis, appropriate mitigation measures are developed to address the identified risks. These measures may include implementing new policies, adopting sustainable practices, investing in environmentally friendly technologies, or enhancing governance frameworks.

To ensure the ongoing effectiveness of these measures, each business unit monitors key ESG risk indicators. This continuous monitoring is crucial for assessing the performance of mitigation strategies and identifying emerging risks. The monitoring process is integrated into the Group's broader operational risk management framework, ensuring a holistic approach to risk management. By embedding ESG considerations within the overall risk landscape, the Group achieves comprehensive risk oversight and improved alignment with its organizational risk management strategy. This systematic approach fosters a culture of accountability and responsibility, ensuring that ESG risks are effectively managed and addressed across the Group.

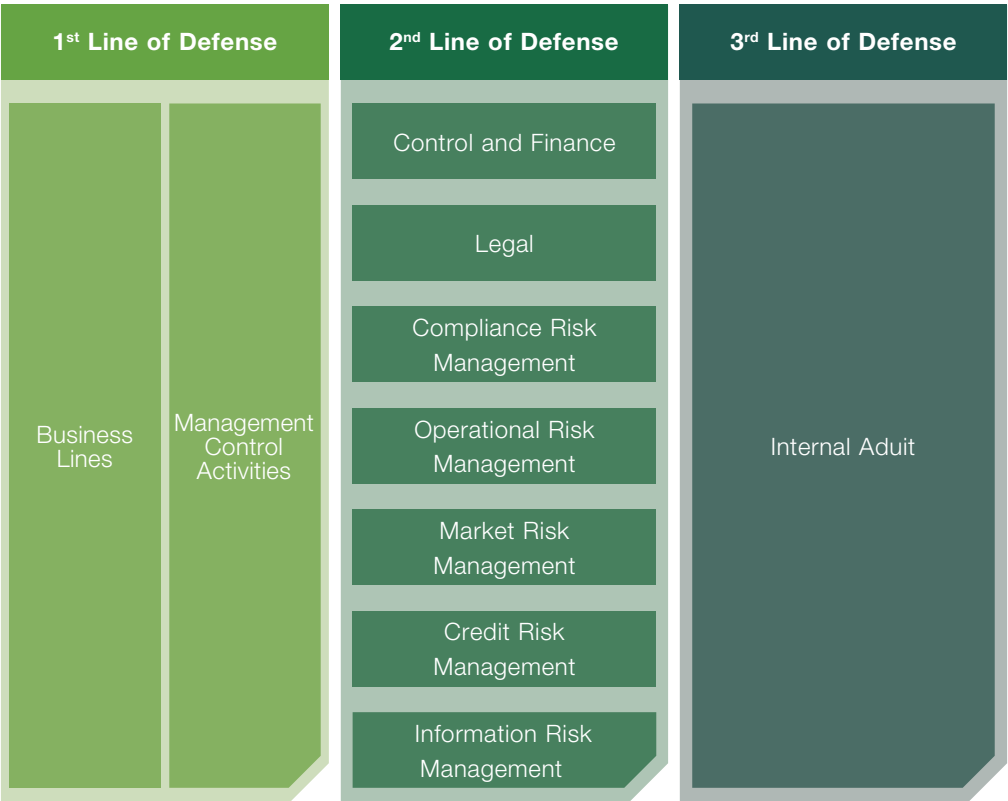
To further mitigate risks based on evolving business needs, the Group will continue to conduct ESG risk assessments of its operations as needed.



5. ESG Governance

5.3.2. Three Lines of Defense

The Group has implemented the Compliance Charter and Framework, among other things, a three lines of defense risk management model to effectively mitigate and manage compliance, operational, and business-related risks.



**The business lines and management**, the first line of defense, develop and implement and embed risk mitigation activities, including approving policies and procedures, providing for training, monitoring and reporting compliance risk related activities. The managers at this level manage compliance risk daily and bear the consequences of any losses.

**The compliance function**, the second line of defense, partners with other functions to identify relevant compliance risk and keep them in check by advising the business lines and the management on compliance matters. It also assists the management to prepare and enforce the policies and procedures and perform other tasks, including enforcing the Internal Disciplinary Policy. The CRO and CCO report to and are accountable to the Risk Committee of the Board.

**The internal audit function**, the third line of defense, provides an independent and objective perspective, scrutinizing the overall effectiveness of the design and operation of internal controls performed by the first and second lines of defense. It is responsible for conducting independent audits and assessments. The audit scope of the internal auditor covers all business operations of the Group, including but not limited to the effectiveness of policies and controls related to ESG matters and business ethics topics, such as financial crime compliance, privacy policy compliance, and information security systems. The head of the Internal Audit Department reports to and is accountable to the Audit Committee of the Board.

## 5.4. Business Ethics

### *Business Ethics Governance*

Business Ethics Governance Structure		Major Duties
Supervisory Level		
The Board	The Board is ultimately responsible for the ethics issues. The Compliance Charter and Framework was adopted by the Board.	
Risk Committee	The Risk Committee of the Board is delegated to assist the Board to oversee the risk management system of the Group, including legal and compliance risks which cover anti-bribery and corruption, and AML issues, etc. The CRO and CCO are accountable to the Risk Committee of the Board.	
Audit Committee	The Audit Committee of the Board is delegated by the Board to assist the Board to oversee (including but not limited to) the internal control system of the Group as well as the whistleblowing mechanism. The head of the Internal Audit Department is accountable to the Audit Committee of the Board.	
Management Level		
Financial Crime Compliance Working Group	Members include but not limited to CCO, Manager-in-charge of AML, Head of Human Resources, Head of IT, Head of Operations and Business Head/Responsible Officers of relevant business units. It is responsible for overseeing the development and implementation of the Group's corruption risk management measures and framework.	
Execution Level		
Designated Financial Crime Compliance Team	Under the Legal and Compliance Department. It is responsible for ensuring the Group complies with the anti-bribery and corruption policies and manuals, monitoring the execution and implementation of various AML efforts by each department and reporting any incidents to management in a timely manner.	
Internal Auditor	Internal auditor audits the anti-bribery and corruption policies and practices independently on all operations, sites and subsidiaries of the Group.	

### *Staff Integrity*

The Group upholds a strong commitment to integrity and compliance through its Staff Code of Conduct, which applies to all employees. This code is designed to foster a workplace culture grounded in strict legal and ethical standards. It covers key areas such as the Group's mission, restrictions on public communication, protection of client data and assets, prohibition of insider trading and market manipulation, adherence to the SFC's Code of Conduct, stringent AML practices, anti-bribery and corruption policies, record-keeping requirements, and mechanisms for reporting and addressing staff misconduct and grievances. Violations of these requirements may result in disciplinary action, underscoring the Group's dedication to maintaining high standards of conduct. A summary of the Staff Code of Conduct is set out on the website of the Company under the "ESG Info" section.

## 5. ESG Governance

### *Anti-Bribery and Corruption Policies*

The Group conducts its business with the highest ethical standards and maintains zero tolerance for any forms of bribery, corruption, extortion, or fraud. A series of group-wide policies, including the Compliance Manual, Anti-Bribery and Corruption Policy, and Staff Dealing and Outside Appointments Policy, along with other relevant procedures and internal controls, have been implemented to ensure compliance with the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong) and other applicable local laws and regulations.

Under the Anti-Bribery and Corruption Policy, the Board reinforces its “tone from the top” approach, demonstrating its strong stance against bribery and corruption and full compliance with all applicable laws and regulations. The Anti-Bribery and Corruption Policy applies to all subsidiaries. All agents, including but not limited to directors, employees, senior management, licensed individuals, and account executives, are expected to uphold the highest standards of professional conduct. This includes acting with openness, fairness, honesty, and integrity; respecting confidentiality; declaring conflicts of interest; avoiding deception; and taking proactive measures to prevent or report corrupt practices or professional misconduct. Additionally, controls are in place to regulate expenses related to entertainment and personal benefits, alongside thorough due diligence on business partners.

The Staff Dealing and Outside Appointments Policy has also been updated to mitigate compliance risks, including the introduction of pre-trading approval requirements and mandatory trade details input. A summary of the Anti-Bribery and Corruption Policy is available on the Company’s website under the “ESG Info” section.

During the Reporting Period, the Group conducted its annual review and amendment of relevant policies to ensure their effectiveness and alignment with regulatory requirements.

The Group also requires all business partners, including contractors, suppliers, service providers, consultants, representatives, and other stakeholders performing work or services on behalf of the Group, to maintain policies, programs, or controls relating to anti-bribery and corruption that fully comply with applicable laws and regulations. These business partners must acknowledge the Group’s anti-bribery and corruption standards and commit to full compliance with relevant regulations and policies. For further details, please refer to the section titled “6.3. Sustainable Supply Chain” of this report.

### Conflict of Interest

Conflicts of interest are addressed as part of the Group’s anti-corruption prevention framework. The Conflicts of Interest Guidelines is established to govern the acceptance of gifts and entertainment by staff to avoid potential conflicts of interest. The Group is committed to prioritizing the interests of capital markets and its clients. In line with the Anti-Bribery and Corruption Policy, the Group ensures that conflicts of interest among clients, shareholders, the Group, and other stakeholders are identified, prevented, and managed effectively. All staff members are required to declare any personal interests that may exist in any significant matter(s) in which they are involved.

Regarding securities ownership, the Group has updated its Guidelines on Restricted List and Watch List, which set out restrictions and controls for handling material non-public information and managing actual or potential conflicts of interest. All employees are subject to the restrictions imposed by the Restricted List, which applies to all relevant securities, including securities, equity share capital, depositary receipts, securities carrying conversion or subscription rights, options, warrants, and other relevant derivatives.

### Whistleblowing Mechanism

The Group is committed to maintaining the highest standards of openness, integrity, and accountability, as reflected in its Whistleblowing Policy. This policy encourages employees and external stakeholders (e.g., customers, suppliers, creditors, and debtors) to report any suspected wrongdoing within the Group. It covers a broad range of serious concerns, including non-compliance with legal or regulatory requirements, malpractice related to internal controls, accounting, auditing, and financial matters, endangerment of health and safety, unethical behaviour, bribery, corruption, and the deliberate concealment of such actions.

The Group is dedicated to protecting whistleblowers from retaliation, ensuring fair treatment, and safeguarding against unfair dismissal, victimization, or unwarranted disciplinary action. Confidentiality is assured to the fullest extent possible, fostering a safe and trustworthy environment for reporting concerns.

This policy specifies distinct reporting channels for different types of concerns:

- **General Concerns:** Should be reported to the CCO by post or email (CCO@gtjas.com.hk).
- **Personnel Affairs:** Should be reported to the Head of Human Resources by post or email (whistleblowing.hr@gtjas.com.hk).
- **If Abovementioned Standard Channels Are Inappropriate:** Sealed reports can be escalated to the Chairman of the Audit Committee of the Board through the Company Secretary by post.

While anonymous reporting is accepted, the Group encourages whistleblowers to provide their identity to facilitate thorough investigations. The policy outlines investigation and handling procedures, although the scope and duration of investigations may vary depending on the nature of the report. Investigations may involve internal departments, external auditors, or regulatory bodies as appropriate. Cases that are accepted are ultimately reported to the Audit Committee of the Board.

It is important to note that false reports made maliciously or for personal gain may result in disciplinary action against the whistleblower, including potential dismissal. The detailed Whistleblowing Policy is available on the website of the Company under the “ESG Info” section.

### Training on Anti-bribery and Corruption

The Group requires all employees to participate in mandatory annual training to enhance their understanding of anti-bribery and corruption practices. Independent Commission Against Corruption (ICAC) seminars are regularly organized for employees, management, and the Board, providing insights into the latest anti-bribery and corruption requirements. Additionally, a mandatory refresher e-training course titled “Anti-Bribery and Anti-Corruption (Asia Pacific)” is available on the Group’s e-learning platform. These initiatives ensure employees remain well-informed about relevant regulations and best practices.

### AML/CFT

The Group demonstrates a strong commitment to preventing money laundering and terrorist financing by adhering to all applicable laws and regulations in its operations. This includes compliance with the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615 of the Laws of Hong Kong) and other jurisdiction-specific requirements. The Group continuously fulfills its AML obligations, maintaining robust practices to mitigate risks effectively.

## 5. ESG Governance

### Policies on AML

The Group has established the AML Policy, which serves as a principle-based guiding document, along with the AML/CFT Manual and the CDD Manual. These policies and manuals define money laundering activities, outline the roles and responsibilities of different functions, and specify requirements for key AML efforts, including institutional risk assessment, customer risk assessment, CDD, continuous monitoring (e.g. transaction monitoring and regular reviews), suspicious transaction reporting, employee training, and record-keeping.

To further mitigate risks, the Group employs advanced monitoring systems to identify suspicious transactions, ensuring it is not misused for money laundering or terrorist financing activities.

### Training on AML

Raising staff awareness of AML issues is a priority for the Group. All employees are required to attend annual AML/CFT training to ensure they remain informed about relevant laws, regulations, and best practices.

During the Reporting Period, the Group was not aware of any material breaches of laws or regulations related to bribery, extortion, fraud, or money laundering that would have a significant impact on the Group.

### *Internal audit on Key Ethics Topics*

The Group ensures the effectiveness of its internal controls over key ethics areas through a structured internal audit process. The internal audit function is instrumental in evaluating compliance with policies on anti-corruption, anti-bribery, AML, and conflict of interest management across all operations, sites, and subsidiaries. These audits are designed to assess adherence to ethics-related requirements, detect potential misconduct, and strengthen the integrity of the Group's operations. A risk-based approach is adopted to ensure all entities are audited at least once every three years.

Regular audits have covered the following topics:

- Governance structure, internal control measures, and the reporting lines
- Adequacy of policies and procedures includes high-level guidelines regarding ethics and compliance risk areas, implementation, and compliance of these policies and procedures
- Controls over benefits received from (e.g., referral fees, rebates) or offered to (e.g., cash, gifts, entertainment) clients and third parties
- Controls over staff dealing and outside appointments
- Best execution practices and controls on restricted information flow
- Procurement processes, including supplier quotations and approval mechanism
- IT systems and policies




Over the past three years, the Group has also conducted thematic audits to address specific risk areas:

- AML and procurement audits were performed in addition to regular audits across all operations, sites, and subsidiaries
- An external professional firm was engaged to perform an IT systems audit. This audit assessed controls for addressing IT threats and vulnerabilities, including but not limited to information security and data privacy, such as third-party risk management, data leakage protection and data encryption.

## 5.5. Stakeholder Engagement and Materiality Assessment

### 5.5.1. Communication with Stakeholders

The Group places a high priority on understanding and addressing the perspectives and concerns of its key stakeholders. Through diverse communication channels, the Group maintains active engagement and has established a robust stakeholder communication framework, and remains dedicated to enhancing its ESG performance by responding to stakeholder feedback and meeting their expectations.

Key Stakeholder Groups	Main Concerns	Engagement Channels
 Shareholders and Creditors	<ul style="list-style-type: none"> <li>• Compliance and Operations</li> <li>• Community Investment and Engagement</li> <li>• Customer Services</li> <li>• Diversity, Equity, and Inclusion</li> <li>• Employee Health and Wellbeing</li> <li>• Intellectual Property Right Protection</li> <li>• Internal Control and Risk Management</li> <li>• Investor Relation</li> <li>• Sustainable Supply Chain</li> <li>• Talent Attraction, Retention and Development</li> </ul>	<ul style="list-style-type: none"> <li>(1) General meetings</li> <li>(2) Information disclosure on website of the Stock Exchange</li> <li>(3) Results conferences</li> <li>(4) Investor meetings and calls</li> <li>(5) Social media and company website</li> <li>(6) Telephone and email communications</li> </ul>
 Government and Regulatory Authorities	<ul style="list-style-type: none"> <li>• Compliance and Operations</li> <li>• Internal Control and Risk Management</li> <li>• Business Ethics</li> </ul>	<ul style="list-style-type: none"> <li>(1) Information disclosure</li> <li>(2) Policy implementation</li> <li>(3) Participation in government surveys</li> <li>(4) Cooperation with regulatory authorities in inspection and review</li> </ul>
 Customers	<ul style="list-style-type: none"> <li>• Investor Relation</li> <li>• Business Ethics</li> <li>• Information Security and Privacy Protection</li> <li>• Customer Services</li> <li>• Internal Control and Risk Management</li> </ul>	<ul style="list-style-type: none"> <li>(1) Customer service hotline</li> <li>(2) Customer service chatbot</li> <li>(3) Email and mobile applications</li> <li>(4) Customer satisfaction surveys</li> <li>(5) Social media and company website</li> </ul>



## 5. ESG Governance

Key Stakeholder Groups	Main Concerns	Engagement Channels
 <b>Employees</b>	<ul style="list-style-type: none"> <li>• Compliance and Operations</li> <li>• Diversity, Equity, and Inclusion</li> <li>• Employee Health and Wellbeing</li> <li>• Information Security and Privacy Protection</li> </ul>	<ul style="list-style-type: none"> <li>(1) Orientation and training sessions</li> <li>(2) Performance appraisals</li> <li>(3) Questionnaire surveys</li> <li>(4) Internal messengers and emails</li> </ul>
 <b>Suppliers and Business Partners</b>	<ul style="list-style-type: none"> <li>• Business Ethics</li> <li>• Compliance and Operations</li> <li>• Internal Control and Risk Management</li> <li>• Investor Relation</li> </ul>	<ul style="list-style-type: none"> <li>(1) Meetings</li> <li>(2) Tendering activities</li> <li>(3) Supplier assessments</li> <li>(4) Questionnaire surveys</li> </ul>
 <b>Community and the Public</b>	<ul style="list-style-type: none"> <li>• Compliance and Operations</li> <li>• Diversity, Equity, and Inclusion</li> <li>• Employee Health and Wellbeing</li> <li>• Internal Control and Risk Management</li> </ul>	<ul style="list-style-type: none"> <li>(1) Community investments</li> <li>(2) Volunteer activities</li> <li>(3) Donations and sponsorships</li> <li>(4) Environment-friendly operations</li> <li>(5) Responsible investments</li> </ul>

*Communications Policy and Channel*

The Group actively fosters a deeper understanding of its financial performance, strategic plans, ESG initiatives, and development prospects among shareholders and stakeholders. The Group adheres strictly to its Shareholders Communication Policy and Dividend Policy, which are available on the website of the Company under the “Corporate Governance” section. The investor relations team, overseen by the Company Secretary, manages inquiries from investors and the media while organizing meetings and engagement activities. Shareholders and stakeholders can also submit written inquiries to the Board through the Company Secretary. Additionally, the Group provides multiple communication channels to promote effective stakeholder engagement.

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

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

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

Investor Relations Webpage: [https://www.gtjai.com/en/investor\\_relations](https://www.gtjai.com/en/investor_relations)

### 5.5.2. Material ESG Issues

Material ESG issues have a considerable impact on both the Group and its stakeholders, representing the topics that matter most to stakeholders. The Group has identified and prioritized the key ESG issues for the year and has provided targeted disclosures in this report. This year, a third-party sustainability consulting firm was engaged to perform a comprehensive annual materiality assessment.

#### 1. Assess relevant ESG issues

- Taking the latest ESG trends, industry best practices, and other relevant standards and frameworks from external sources into consideration, the Group has identified 23 pertinent issues including Environmental, Green and Sustainable Finance, Social, and Governance aspects. The list of identified material issues has been further categorized under Environment, Green and Sustainable Finance, Social and Governance.



#### 2. Identify internal and external stakeholders

- The Group has identified and invited groups of internal and external stakeholders for its engagement survey, including but not limited to Board members, employees, suppliers and customers.



#### 3. Gather key information and integrate research findings

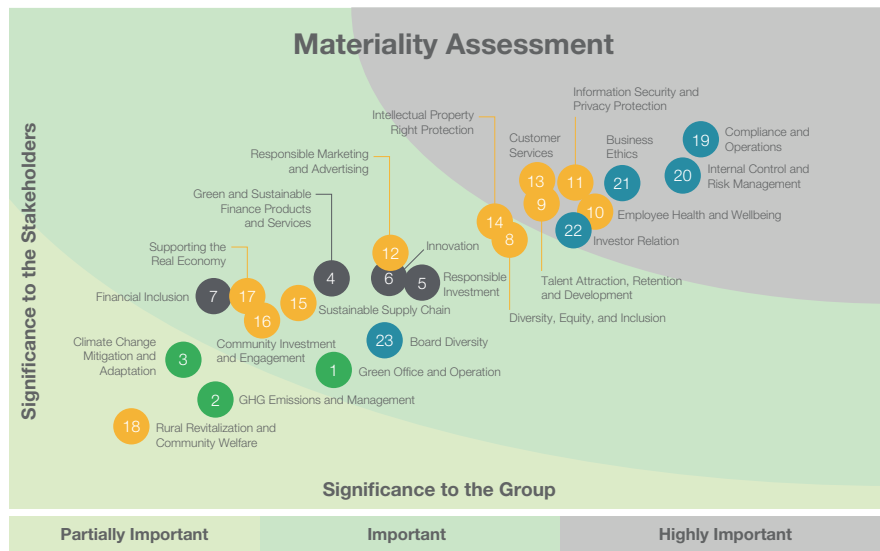
- The Group carried out the materiality assessment to gain insights into the primary concerns of key stakeholders and to understand their evaluation of the Group's ESG performance. Additionally, the Group sought their perspectives and recommendations regarding its ESG practices and future plans.
- Materiality matrices were generated with issues being examined under two dimensions, which are "Significance to the Group" and "Significance to the stakeholders of the Group"
- Eight issues have been identified as highly important including four governance issues and four social issues: Compliance and Operations, Information Security and Privacy Protection, Business Ethics, Investor Relations, Talent Attraction, Retention and Development, Employee Health and Wellbeing, Intellectual Property Right Protection and Customer Services.



#### 4. Analyze and generate recommendations

- By analyzing the responses of stakeholders in the questionnaire, the Group sought to understand the interconnectedness of the key issue list and provide disclosure recommendations for enhancing the scope of the ESG report. The results of the materiality assessment were reviewed and endorsed by the ESG Committee and reported to the Board.

## 5. ESG Governance



Categories	#	Material Topics	Corresponding Sections
Environment	1	Green Office and Operation	7.3. Green Office and Operation
	2	GHG Emissions and Management	7.1. Environmental Targets
	3	Climate Change Mitigation and Adaptation	7.2. Tackling Climate Change
Green and Sustainable Finance	4	Green and Sustainable Finance Products and Services	8. Green and Sustainable Finance
	5	Responsible Investment	8.1. Responsible Investment Practice
	6	Innovation	6.1.1. Digital Transformation to Safeguard Services and Products Responsibility
	7	Financial Inclusion	6.1.3. Investor Education
Social	8	Diversity, Equity, and Inclusion	6.2.1. Diversity, Equity, and Inclusion
	9	Talent Attraction, Retention and Development	6.2.2. Employee Management
	10	Employee Health and Wellbeing	6.2.3. Employee Health and Wellbeing
	11	Information Security and Privacy Protection	6.1.1. Digital Transformation to Safeguard Services and Products Responsibility
	12	Responsible Marketing and Advertising	6.1.2. Services and Products Integrity
	13	Customer Services	6.1.4. Customer Relationship Management
	14	Intellectual Property Right Protection	6.1.2. Services and Products Integrity
	15	Sustainable Supply Chain	6.3. Sustainable Supply Chain
	16	Community Investment and Engagement	6.4. Community Investment and Engagement
	17	Supporting the Real Economy	8.3. Green and Sustainable Finance Performance
	18	Rural Revitalization and Community Welfare	6.4. Community Investment and Engagement
Governance	19	Compliance and Operations	5. ESG Governance 6. Social Responsibility 7. Environmental Responsibility
	20	Internal Control and Risk Management	5.3. ESG Risk Management and Internal Controls
	21	Business Ethics	5.4. Business Ethics
	22	Investor Relation	5.5.1. Communication with Stakeholders
	23	Board Diversity	6.2.1. Diversity, Equity, and Inclusion

While prioritizing material ESG issues in its reporting, the Group remains committed to managing all ESG matters that impact its business and stakeholders, embedding ESG considerations across various aspects of its operations. For ESG issues not identified as material this year, the Group will continue to monitor and assess their relevance and significance, adjusting its ESG material topics list as needed.

## 6. Social Responsibility



### 6.1. Client-oriented Products and Services

#### 6.1.1. Digital Transformation to Safeguard Services and Products Responsibility

The Group continues to advance its digital transformation strategy, strengthening technological innovation, data management, and digitalization to enhance overall business development and better meet client needs. By implementing a comprehensive IT governance framework, the Group drives internet-based customer service, visualized product analysis, and intelligent customer experience solutions, ensuring a seamless and efficient digital ecosystem.

In 2024, the Group further accelerated modernization efforts by revamping front, middle, and back-office applications and adopting a mobile-first strategy. The “Junhong Global” mobile application (App) and online customer service platform underwent continuous upgrades, enhancing their functionality and user experience. A newly launched intelligent customer service system now integrates multiple features, offering clients an innovative, AI-powered service experience. Additionally, the Group introduced Cross-boundary Wealth Management Connect, a strategic initiative in collaboration with its parent company, establishing an integrated wealth management system across the Greater Bay Area. This provides seamless cross-border financial services, aligning with evolving market trends and client demands.

The Group also made significant enhancements to institutional client services and product functionality this year. The over-the-counter product booking system was fully upgraded to improve both capacity and performance. Meanwhile, continuous iterations and optimizations were applied to institutional trading systems, including the quantitative trading management system, cross-border yield swap trading system, and market-making system, ensuring a comprehensive suite of professional services for institutional clients.

In addition, the Group has placed greater emphasis on leveraging data analytics and enhancing AI integration. The enterprise data platform has matured into a fully integrated data service infrastructure, strengthening data management and service efficiency. The Group is also actively exploring AI-driven solutions in customer service and product design, reinforcing its commitment to intelligent financial services and digital innovation.

Through these continuous advancements, the Group remains at the forefront of digital transformation, delivering cutting-edge solutions and elevating client experiences across all business segments.

6. Social Responsibility

Information Security and Privacy Protection

The Group prioritizes integrating data security management into every aspect of its business to ensure a safe and high-quality experience for clients. By adhering to strict management and technical standards, the Group complies with relevant laws, regulations, and guidelines to reinforce network and data security management while safeguarding personal information. These efforts uphold the Group’s operational integrity and protect clients’ rights.

Aligned with the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong) and other applicable regulations, the Group established the Information Technology Risk and Security Policy, which aims to standardize and facilitate the implementation of the information security controls and procedures to ensure confidentiality, integrity, availability and authenticity of data assets, This policy provide a robust framework for information security, cybersecurity and data privacy protection across all business operations.

Management Structure and Framework

The Group has implemented a top-down management organizational structure to effectively oversee and manage data and cybersecurity matters, as outlined below:

Information Security and Privacy Governance Structure		Major Duties
Supervisory Level		
		Chaired by Chairman of the Board, members, include but not limited to CEO, CRO, CCO, Head of IT and Head of Operations.
IT Governance Committee		It has a direct and functional responsibility for privacy and data security, supported by the Data and AI Governance Working Group, is responsible for overseeing data privacy and related matters.
Management Level		
Electronic trading, Tech risk and Fintech Steering Committee		It reports to the IT Governance Committee and holds the responsibility for overseeing various aspects related to fintech, electronic trading and corresponding technology risk, including monitoring the progress of strategic planning, development and significant changes to the system and infrastructure, addressing infrastructure security and cybersecurity risks, ensuring protection and mitigation measures are in place for electronic trading.
Data and AI Governance Working Group		Responsible for strengthening the Group’s data governance framework. Its responsibilities include setting data governance policies, guidelines, and strategic plans. In 2024, its responsibilities are expanded to include the governance of generative AI in large language models. It promotes and provides risk and security management in data and AI training throughout the Group, fostering a culture of data security awareness among all employees. Additionally, it reports data governance initiatives and significant issues related to data and AI governance, risk, and security management to the IT Governance Committee.

Information Security and Privacy Governance Structure		Major Duties
IT Risk Working Group		Directly reporting to the IT Governance Committee, IT Risk Working Group oversees the progress of IT risk management and related issues, including but not limited to policy development, risks identification, assessment and monitoring, protection, training and mitigation. IT risks being overseen cover a broad range of areas, such as cybersecurity, threats in physical or logical IT resources, software and infrastructure failures and human errors.
Execution Level		
All Departments		Each department is responsible for the specific implementation of data security work. In the process of business development, it is responsible for the security management of the data of its unit, and implements the data security management requirements and control strategies involved in the business, systems and processes.

Specific policies and procedures were also established and applied across all employees, departments, and subsidiaries. These policies outlined objectives, requirements, protective measures, and key principles of the Group’s data and cybersecurity framework, including but not limited to data lifecycle protection and data classification requirements, to prevent data leakage and improper use of personal information.

Additionally, the Company engaged an external consulting firm during the year to conduct a data risk management gap assessment. This assessment evaluated the Company’s data risk management posture on data risk governance and data lifecycle controls and monitoring, in order to ensure compliance with relevant regulatory requirements.

Cybersecurity Management

The industrial standard cybersecurity measures such as network segmentation and segregation have been deployed to continuously strengthen the Group’s IT system and prevent the loss or misuse of sensitive information. Data transmitted between client’ devices and the Group’s online trading platforms are encrypted according to industrial standards, such as using TLS 1.2 or above for transmission encryption. The IT systems and online trading platforms are not only set on multiple layers of control on cybersecurity, but also monitored by a designated committee, and maintained and tested by the designated IT professionals on a regular basis. To defend the IT systems and online trading platforms from potential cyber-attacks, the Group sets and updates contingency and recovery plans, conducts annual cyber-attack drills, engages third-party professional firms to audit the Group’s cybersecurity annually, and holds regular work meetings to review its cybersecurity performance. Besides, the Group sends cybersecurity tips to employees and clients on a regular basis and provides annual staff cybersecurity training and guidance, with invitations sent to clients, business partners and service providers, so as to raise employees’, clients’ and other related parties’ awareness of cybersecurity. Furthermore, the Group established an IT Governance Committee and working groups to oversee and monitor data usage and protection.



## 6. Social Responsibility

### *Data Privacy Protection*

The Group has implemented and periodically reviewed internal policies and guidelines on customer privacy and information protection, including but not limited to the Data Governance and Management Procedures and the Information Technology Risk and Security Policy. All departments and subsidiaries are required to strictly comply with these policies.

Emphasizing its focus on data and privacy protection, the Group transparently discloses its privacy policies on its corporate website and its online customer service applications, including Junhong Global. Designated Data Protection Officers are responsible for ensuring data privacy security and addressing related issues, maintaining a high standard of compliance and customer trust. The Company has also enhanced its access control policies for personal information, assigning access rights on a need-to-know basis, with internal approval processes in place for retrieving or updating personal information. The use and processing of personal information are conducted within controlled environments, with regular reviews of authorizations and access rights to maintain security and compliance.

To further enhance transparency, the Group has published key documents, such as Anti-fraud Tips, Cybersecurity Tips, and the Privacy and Security Policy, along with the Customer Data and Privacy Protection Policy Principles, which apply to the Company and all subsidiaries. In 2024, the Group updated its Privacy and Security Policy and dispatched privacy and security information updates to customers. These documents outline measures for data protection, individuals' rights to control their data, requirements for third-party handling of personal data, and efforts to minimize data collection and retention. By complying with the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong) and offering clear options for managing data preferences, the Group reinforces customer trust. The Customer Data and Privacy Protection Policy Principles is available on the website of the Company under the "ESG Info" section.

The Group has taken measures to safeguard customer privacy and prevent data leakage. The Information Technology Risk and Security Policy outlines guidelines for accessing client data through internal requests and specifies encryption procedures for client data. All sensitive information such as passwords, trading data should be encrypted during the transmission in public internet. All data storage devices, including servers and hard drives, should be degaussed to ensure complete data deletion before disposal. Disposal processes must receive management approval and include records of the disposal date and other relevant details for tracking purposes.

The Group has formulated the Supplier Sustainable Policy, the Procurement Management Policy together with the outsourcing guidance to ensure privacy and data protection compliance among suppliers. The Procurement Management Policy together with the outsourcing guidance specifies, among other things, evaluation procedures and due diligence requirements for suppliers regarding customer data, confidentiality and privacy protection, etc. Physical safeguards, such as access controls and surveillance, are in place to protect data storage rooms. The Compliance Manual provides guidance to ensure that any information or data shared with affiliated companies or third parties remains confidential, encrypted, and limited to what is necessary, unless authorized by the law enforcement department.

If customers request access, rectification or removal of their personal data, the Group should initiate the process and inform the customer that the requested data should be accessible, rectified or permanently removed from the database no later than a certain period in accordance with applicable laws and regulations and the Group's policies.

## 6. Social Responsibility

To raise awareness and strengthen knowledge of data and privacy protection, the Group offers an e-training course titled “Data Privacy (APAC)” on its e-learning platform, accessible to all employees. During the year, the Group also introduced topical seminars for all staff, conducted by the Office of the Privacy Commissioner for Personal Data. These seminars featured professionals sharing the latest trends and preventive measures related to cybersecurity threats and personal data breaches. All staff received trainings on data governance and personal data privacy protection during the year.

For customers and the public, the Group regularly publishes posters on cybersecurity and anti-fraud reminders across its official website and social media accounts to promote education on data privacy and safety.

In February 2024, the Group became a member of the Data Protection Officers’ Club, established by the Privacy Commissioner for Personal Data which offers data protection officers with a platform for advancing knowledge and practices in data privacy compliance through experience sharing and training. The Group will leverage this expertise to ensure its privacy measures align with market standards. The responsibilities of the Group’s Data Protection Officers include overseeing data protection compliance, driving the development and implementation of a data protection framework, promoting data protection awareness among staff, and managing data breach incidents. They are also responsible for communicating with affected clients, law enforcement units, and regulators when necessary.

The Group has further reinforced its commitment to customer safety by integrating crucial warnings into the “Security Reminder and Tips” section of its official website. This proactive measure is designed to protect customers from fraudulent activities and data breaches. Additionally, the Group has enhanced access to essential cybersecurity and anti-fraud resources by adding links to government websites within the “Security Reminder and Tips” section. By emphasizing the importance of securely managing personal data and remaining vigilant about online security, the Group aims to heighten public awareness of safeguarding personal information and maintaining a secure online presence.

The dissemination of data protection and cybersecurity reminders through the “Message for You” segment on the trading platform also provides ongoing investor protection and education.

#### *Data Breach Incident Handling Measures*

Any data breach incident must be promptly reported to all relevant departments. Investigations and remediation measures, including actions to prevent recurrence, must be undertaken in response to such incidents. The incident must be appropriately reported to the Company’s senior management and regulators, if necessary.

#### *Handling Inside Information*

To uphold the integrity of the capital market and safeguard the interests of clients and shareholders, the Group has implemented comprehensive measures to prevent its management and staff from engaging in trading or facilitating trades based on insider information (material non-public information) related to the Group.

The Group has established the Control of Information Policy, which outlines the standards and basic safety measures staff must follow when handling non-public and confidential information. These measures include, but are not limited to, physical access controls, communication controls, IT controls, and deal information controls. This policy also specifies staff obligations to safeguard confidential information and inside information obtained during employment, ensuring such information is used strictly for the proper performance of duties.

## 6. Social Responsibility

Additionally, the Group has formulated the Policy on Disclosure of Inside Information, which defines inside information, outlines regulatory requirements, and provides guiding principles, practices, and procedures to ensure all inside information about the Group is disseminated to the public in a fair, equitable, and timely manner, in strict compliance with relevant laws and regulations, including the SFO, the Listing Rules, and industry best practices. Furthermore, the Group enforces stringent proprietary trading procedures to prohibit staff with access to inside information about the Group from trading the Group's securities.

In cases where there is evidence of potential insider dealing, the Legal and Compliance Department must initiate an investigation and take necessary follow-up actions. These actions may include, but are not limited to, reporting the incident to regulatory or enforcement bodies such as the SFC or other relevant authorities.

### 6.1.2. Service and Product Integrity

The Group strictly adheres to the SFO and its subsidiary legislation, while actively fulfilling its social responsibilities. These include ensuring product quality, conducting ethical marketing and advertising, responding effectively to customer feedback, and protecting intellectual property rights, all with the goal of safeguarding the interests of customers and the public.

#### *Service and Product Quality*

The Group places significant emphasis on protecting customer rights and ensuring their satisfaction. To meet regulatory requirements, the Group has established a Suitability Policy in alignment with the standards set by the SFC. This policy mandates that salespersons conduct thorough client assessments, including identity verification and evaluations of investment objectives, knowledge, and experience. Based on these assessments, salespersons are required to provide recommendations and solicitations tailored to each client's circumstances.

The Group has also updated its Wealth Management Manual to guide the best execution practices. The updates enable the Group to deliver high-quality investment products and services while maintaining full compliance with regulatory obligations. The Group's internal control framework further reinforces the reliability and quality of the services provided to customers.

In response to evolving regulations, the quality assurance team within the wealth management business has focused on cultivating a strong compliance culture and enhancing awareness among salespersons. The team's responsibilities include delivering updated training and guidelines, conducting post-trade checks to verify order-taking and trade confirmations, ensuring pre-trade disclosures are provided to clients, and issuing warnings in cases of high product concentration or tender mismatches. Irregularities identified during transaction reviews are addressed promptly, and improvements are made to streamline processes while ensuring full regulatory compliance. These measures collectively enhance the Group's ability to support daily sales operations and deliver a seamless experience for its clients.

## 6. Social Responsibility

*Responsible Marketing and Advertising*

The Group places a strong emphasis on strict compliance with laws and regulations related to marketing, advertising, and labeling. It strictly prohibits any form of dishonesty or deceptive statements in advertisements, marketing materials, and public announcements. To ensure adherence to these standards, the Group has formulated and implemented the Guidance on Advertisement Management, which outlines the standards and procedures for internal advertising management. Additionally, numerous measures have been taken to ensure the accuracy and correctness of advertising and marketing information, as well as compliance with relevant codes, guidelines, guidance notes, and circulars issued by the SFC.

In response to the evolving digital age, the Group has adopted policies to ensure that content published through social media or other channels is accurate and reflects the true image of the Group. These policies include the Social Media Management Guideline and Official Website Management Guideline. During the year, the Group maintained tight control over the approval process for social media accounts and advertisements to enhance responsible marketing and advertising practices.

*Intellectual Property Right Protection*

The Group acknowledges the importance of complying with intellectual property laws and related regulations to support its operations and safeguard its proprietary assets. To strengthen intellectual property rights protection, the Group has implemented the Procedure on Managing Intellectual Property, providing a structured framework to prevent infringement and address violations through appropriate legal measures. Additionally, the Group takes proactive steps to ensure the confidentiality of proprietary information entrusted to it, employing measures to maintain high levels of security.

In its advertising and marketing activities, the Group strictly uses authorized materials in compliance with intellectual property guidelines. It adopts a diligent approach by utilizing libraries with proper licenses or those operating under the General Public License (GPL) or Lesser General Public License (LGPL) for open-source software, ensuring full adherence to legal requirements. These practices uphold the integrity of intellectual property regulations and foster a culture of responsible intellectual property management within the Group.

During the Reporting Period, the Group was not aware of any incidents of non-compliance with relevant laws and regulations in relation to health and safety, advertising, labelling, or privacy matters associated with its products and services that could have had a significant impact on the Group.

**6.1.3. Investor Education**

The Group values effective communication with investors, particularly through educational initiatives. To meet the needs of its diverse investor base, the Group has established various communication channels, including online webinars, live discussions with internal and external financial experts, and in-person investor seminars. These initiatives are designed to provide market insights, enhance investor knowledge, and create opportunities for meaningful networking.

*Investor Education Initiatives*

The Research Department, in collaboration with the Wealth Management Department, regularly provides investor education content on the “Junhong Global” mobile application. This content covers macroeconomic trends, market strategies, and industry research, offering investors timely and valuable market insights.

## 6. Social Responsibility

In 2024, the Group enhanced its website and trading platform by visualizing scam warnings and cybersecurity information, increasing customer awareness on anti-fraud and cybersecurity issues. The Group also continued its investor education efforts by disseminating anti-fraud and cybersecurity tips through email, demonstrating its ongoing commitment to investor protection and education.

The Group further advanced investor education by hosting the “818 Wealth Management Festival”, including a highly engaging webcast event aimed at increasing public awareness of investing. This event featured collaborations with leading asset management firms in the industry, resulting in the production of 17 short videos covering global markets and financial investment strategies. The series attracted over 100,000 participants, significantly expanding the Group’s reach and influence within the financial community.

### *Inclusive Finance*

In 2024, the Group launched “Inclusive Finance – Investment Encyclopedia”, a dedicated column across its social media platforms aimed at enhancing financial literacy among the general public. This column serves as an accessible learning platform, offering clear and engaging basic financial knowledge to help individuals understand financial products, develop rational investment perspectives, and strengthen wealth management skills.

To make financial concepts more approachable and engaging, the Group introduced a series of bite-sized educational posts, featuring its mascot “Lingxi” as a friendly financial mentor. Each post simplifies complex financial topics, ensuring that key concepts are easily digestible for a broad audience. The topics covered include basic concepts and related knowledge of financial markets, financial products, financial service institutions, and laws and regulations.



#### 6.1.4. Customer Relationship Management

Building mutual trust with customers is a cornerstone of the Group's commitment to achieving long-term and sustainable development. The Group cares about the feedback from its customers and is committed to maintaining a good relationship with its customers.

- **Handling Customer Complaints**

The Group has implemented a comprehensive, group-wide system for receiving and managing customer complaints. Customers can submit their concerns through multiple channels, ensuring accessibility and convenience:

- Customer Feedback Form (Website): [https://www.gtjai.com/en/contact\\_securities](https://www.gtjai.com/en/contact_securities)
- Customer Services Department:
  - Phone: (852) 2509 7524/40080 95521
  - Email: [customer.service@gtjas.com.hk](mailto:customer.service@gtjas.com.hk)
- Complaint Hotline and Email:
  - Phone: (852) 2509 5432/40080 95521
  - [complaint@gtjas.com.hk](mailto:complaint@gtjas.com.hk)

The Legal and Compliance Department is responsible for managing customer complaints. This includes ensuring that all complaints are handled with strict confidentiality and are thoroughly investigated and resolved in a timely and appropriate manner.

Complaint Handling Stage	Handling Measures
<b>Prompt response and acknowledgment</b>	Upon receipt of a complaint by a customer, the Group promptly acknowledges receipt within 7 working days to demonstrate its commitment to addressing customer concerns in a timely manner. The assessment of the allegations in the complaint is carried out by knowledgeable staff members who possess professional backgrounds and sound industry expertise. This selection of experienced personnel ensures that the evaluation process is conducted with fairness and prioritizes the protection of customers' interests throughout.
<b>Investigation of the concerning issues</b>	All customer information and feedback are thoroughly reviewed and investigated by the Legal and Compliance Department to identify potential issues. The department follows up with customers, providing updates on their concerns and potential solutions, ensuring maximum customer satisfaction. Identified issues are reviewed, and relevant procedures and systems are updated and enhanced as needed to improve the Group's overall service quality.



6. Social Responsibility

Complaint Handling Stage	Handling Measures
Follow-up actions based on investigation results	The Group is committed to delivering timely and transparent communication with customers. As part of this commitment, the department promptly provides customers with the results of the investigations conducted on their complaints. This ensures that customers are informed of the outcomes and any relevant findings in a timely manner. Moreover, the department takes appropriate subsequent measures to address the issues raised by customers, aiming to fulfil their expectations and ensure their satisfaction. By providing clear and timely feedback and taking necessary actions, the Group strives to maintain strong customer relationships and uphold service excellence throughout the resolution process.

During the year, there were 6 complaints and all of them are about terms of services. 100% of complaints were duly resolved with satisfactory results.

- Customer Satisfaction Survey**  
To ensure a consistently high standard of customer service, the Group conducted a comprehensive customer satisfaction survey in 2024 as part of its ongoing commitment to enhancing the customer experience. The survey gathered feedback from 1,929 customers, representing an increase of 15% compared to the previous year. The results were overwhelmingly positive, with an overall satisfaction rate exceeding 97.02% across key areas such as service quality, problem-solving ability, and phone conversation quality, the results reflect the Group’s dedication to delivering exceptional customer service and continuously improving its offerings.

Looking ahead, the Group plans to continue expanding the scope of the customer satisfaction survey to gather a broader range of customer feedback. These deeper insights will support ongoing efforts to enhance service quality and enable the Group to refine its customer service strategies, ultimately delivering an even better customer experience.

## 6.2. Talent Attraction, Retention and Development

### 6.2.1. Diversity, Equity, and Inclusion

Upholding the Group's business philosophy of "Talent as the First Resource" and embracing the principle of "People-oriented, Collaborative Cooperation", employees are regarded as the Group's most valuable asset. The Group remains committed to fostering an inclusive and supportive working environment, consistently enhancing employee welfare, promoting work-life balance, and providing the resources necessary for professional growth and development. To attract and retain top talent, the Group offers competitive remuneration packages aligned with market standards, individual performance, and market-driven incentives, while also linking rewards to both the Group's annual performance.

In 2024, the Group made progress in building a diverse and inclusive workforce. As of 31 December 2024, the total number of employees increased slightly to 623. Both male and female representation within the workforce grew, reflecting the Group's ongoing commitment to promoting gender balance. Furthermore, 84% of new hires were under the age of 35, demonstrating the Group's ability to attract young professionals and its dedication to cultivating the next generation of talent.

Looking ahead, the Group will continue to strengthen its talent acquisition and retention strategies by enhancing remuneration packages, offering attractive fringe benefits, and creating growth opportunities. These initiatives will further solidify the Group's position as an employer of choice and drive long-term sustainable development.

#### *Equal Opportunity*

As an equal-opportunity employer, the Group is firmly committed to promoting and implementing equal opportunities in employment and eliminating all forms of discrimination against its employees. During the assessment process, all candidates are evaluated solely based on job requirements, relevant aptitudes, skills, and abilities, without consideration of factors such as sex, pregnancy, marital status, disability, family circumstances, or race.

The Group's diversity policy fosters an environment of respectful communication and collaboration among all employees. Employees found to have engaged in inappropriate conduct or behavior towards others may face disciplinary action.

#### *Workforce Diversity*

The Group recognizes the importance of fostering a gender-balanced workplace and remains committed to promoting gender equality. Efforts are continually made to integrate gender-related awareness into daily work practices and to embed inclusiveness into the corporate culture.

As of 31 December 2024, women represented 45% of the Group's workforce, while female Directors accounted for 25% of the Board, this proportion surpasses the industry average, which stands at 21% according to the data from the Stock Exchange.

## 6. Social Responsibility

## Human Capital Statistics

Key Employees Statistics	2024	2023
Number of Total Employees	623	601
New Employee Rate <sup>1</sup>	19%	20%
Employee Turnover Rate <sup>2</sup>	15%	24%
Percentage of Male Employees	55%	54%
Percentage of Female Employees	45%	46%
The Ratio of Total Remuneration of Males to Females	1.44:1	1.48:1
Percentage of Female Employees Among the Management and Managers	38%	39%

Total Employee Analysis	2024	2023
<b>Gender</b>		
Male	341	324
Female	282	277
<b>Position Grade</b>		
Management	121	110
Manager	145	152
General Staff	357	339
<b>Age Group</b>		
18-25	36	26
26-35	281	279
36-45	196	187
45-55	91	91
Above 55	19	18
<b>Employment Type</b>		
Full-time	623	601
Part-time	–	–
<b>Geographical Location</b>		
Hong Kong	601	576
Singapore	18	21
Macao	4	4

	2024		2023	
New Employee Analysis	Number	Proportion <sup>3</sup>	Number	Proportion <sup>3</sup>
<b>Gender</b>				
Male	68	20%	55	17%
Female	48	17%	67	24%
<b>Age Group</b>				
18-25	33	92%	14	54%
26-35	65	23%	81	29%
36-45	14	7%	19	10%
45-55	4	4%	5	5%
Above 55	0	–	3	17%
<b>Geographical Location</b>				
Hong Kong	110	18%	113	20%
Singapore	5	28%	5	24%
Macao	1	25%	4	100%
Percentage of internal hires		3.5%		–

	2024		2023	
Employee Turnover Analysis	Number	Turnover rate <sup>4</sup>	Number	Turnover rate <sup>4</sup>
<b>Gender</b>				
Male	51	15%	79	24%
Female	43	15%	67	24%
<b>Age Group</b>				
18-25	10	28%	15	58%
26-35	46	16%	74	27%
36-45	29	15%	35	19%
45-55	7	8%	14	15%
Above 55	2	11%	8	44%
<b>Geographical Location</b>				
Hong Kong	85	14%	142	25%
Singapore	8	44%	4	19%
Macao	1	25%	–	–

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

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

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

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

## 6. Social Responsibility

## Case Study: Cultural Development Initiatives – Promoting Diversity, Equity, and Inclusion

The Group is dedicated to fostering a workplace culture centered on diversity, equity, and inclusion. In 2024, the Group launched a company-wide ESG campaign to promote diversity, equity, and inclusion values, reinforcing its commitment to embracing diverse voices, fostering inclusivity, and prioritizing employee well-being.

During the campaign, the Group actively engages employees through internal communication channels and social media platforms, featuring key topics such as “Women’s Empowerment,” “The Strength of Youth,” “Volunteer Activities” and “Employees Satisfaction”. Through these initiatives, not only was the cohesion of the corporate culture significantly enhanced, but they also contributed to the Group’s long-term sustainable development.



## 6. Social Responsibility

### 6.2.2. Employment Management

The Group consistently ensures compliance with the Employment Ordinance (Cap. 57 of the Laws of Hong Kong), the Employees' Compensation Ordinance (Cap. 282 of the Laws of Hong Kong), anti-discrimination ordinances, and all other applicable laws and regulations related to employment. The comprehensive Staff Handbook outlines policies designed to protect employees' basic rights, including areas such as compensation, dismissal, recruitment, promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. The Internal Audit Department conducts regular audits to monitor compliance and prevent any potential legal violations.

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

The Group enforces a strict prohibition on all forms of child and forced labor, with comprehensive measures in place to prevent such practices, as outlined in the Staff Handbook. The Group aligns with recognized practices and principles regarding the employment of young individuals, as mandated by local legislation.

During the recruitment process, the Human Resources Department conducts thorough verification of candidates' identity documents to prevent any potential violations related to child labor. The Group ensures that employees are not subjected to forced labor and are granted reasonable freedom of movement within their roles.

If any violation is identified, the Group promptly takes appropriate remedial actions to address the issue. During the Reporting Period, the Group was not aware of any incidents relating to the use of child or forced labor that had a significant impact.

#### *Grievance Handling Guideline*

The Grievance Handling Guideline was upgraded as a standalone guideline in 2024 to provide a structured and transparent process for employees to raise concerns or report unfair treatment related to workplace issues. This guideline fosters an environment where employees feel safe to voice concerns about discrimination, harassment, or inequity. Maintaining openness is critical for promoting a diverse and inclusive workplace. The details of the Grievance Handling Guideline are available on the website of the Company under the "ESG Info" section.

To ensure adherence to these policies and prevent legal violations, the Internal Audit Department conducts audits to monitor and assess compliance measures within the Group. This proactive approach helps the Group maintain a robust framework that upholds employees' rights and protects them from potential infringements.

## 6. Social Responsibility

*Employee Satisfaction Survey*

In 2024, continuing its long-standing practice of understanding and improving employee satisfaction, the Group conducted an anonymous employee satisfaction survey. The survey assessed employees' perceptions of the Group across areas such as sense of belonging, career development, supervisory support, and job satisfaction. Based on the survey results, the Group formulated targeted solutions to foster a more harmonious and satisfying working environment.

During the year, the survey was distributed to all employees, with 379 valid responses collected, representing a response rate of 61% (2023: 67%). The overall staff satisfaction rate reached 90%, showing a slight improvement from 89% in 2023. The survey findings revealed the following key insights:

- **Corporate Identity and Sense of Belonging:** The survey results indicate a strong sense of pride among employees in the corporate brand, with the majority highly recommending the Group as a great place to work.
- **Career Development:** 73% of respondents agreed that the Group provides sufficient professional development opportunities, marking a 6% increase compared to last year's survey.
- **Supervisor Support:** 83% of employees (Chart 1) reported that they can easily seek support from their supervisors when needed, highlighting strong managerial accessibility.
- **Workplace Relationship:** 84% of employees (Chart 2) felt they had good communication with colleagues, while 82% believed their working relationships with colleagues were positive.

The Group conducts this survey annually and remains committed to enhancing employee engagement, improving response rates, and fostering a positive workplace environment.

Chart 1: Get help from the supervisor

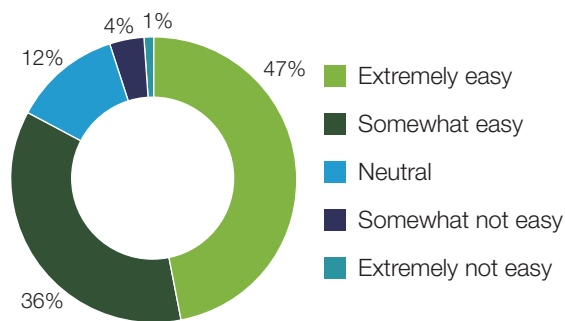
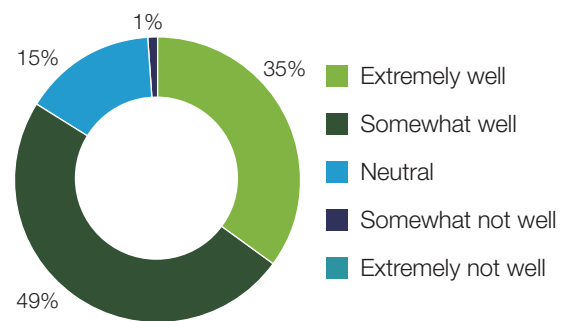


Chart 2: Communicate with colleagues





## 6. Social Responsibility

## 6.2.3. Employee Health and Wellbeing

The Group prioritizes occupational health, safety, and well-being by striving to create a safe and comfortable working environment for employees. To ensure compliance with the Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong) and other applicable laws and regulations, the Group has established an Occupational Safety and Health Policy to guide the daily management of occupational safety and health.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to employment and labor practices, occupational health, or safety that could have a significant impact. There were also no reported work-related fatalities or injuries during the year nor the previous two financial years.

*Employee Care and Benefits*

The Group has implemented numerous measures to safeguard employees from occupational diseases and prioritize their overall well-being. In the Group's offices, adjustable working chairs and blue-light-cut screens are provided to promote neck, back, and eye health. Additionally, air purifiers have been installed to improve indoor air quality. The Group's Hong Kong offices are in office towers that have received the "Excellence Class" certification for Indoor Air Quality Objectives from the Environmental Protection Department.

The Group also provides comprehensive employee benefits, including medical insurance, life insurance, disability insurance, business travel insurance, annual physical check-ups, and dental benefits. These benefits are outlined in the Staff Handbook, which also includes safety protocols for adverse weather conditions and fire control measures. The Group also offers a rental reimbursement scheme for staff.

The Group supports employees' family needs by offering special leave, such as marriage leave for the employee or for their children, and compassionate leave for matters involving immediate or non-immediate family members.

For staff with special needs (e.g. critical illness survivors), the Company also offers remote work arrangements for them in order to provide a more comfortable and manageable environment as they may experience long-term side effects from treatment. Moreover, the Company upgraded the nursing room this year to provide a better environment for breastfeeding colleagues.

In 2024, the Group organized workshops such as the Pastel Nagomi Art Workshop and Zentangle Stress Relief Workshop to further support employees' physical and mental health and to alleviate stress. Employees were encouraged to participate in activities such as basketball competitions, badminton competitions, and Sports Day. These activities helped safeguard employees' health by improving cardiovascular fitness, strength, and flexibility, while also providing an opportunity to unwind and recharge, leading to improved mental clarity and focus.



## 6.2.4. Training and Development

### *Comprehensive Training Opportunities*

The Group places high importance in fostering the development and self-fulfillment of its employees. By providing a clear career path, comprehensive training programs, and abundant resources, the Group supports employees in achieving occupational growth and success.

To ensure employees have convenient access to training resources, the Group has established an e-learning platform offering a wide variety of online courses. In 2024, the platform provided over 30 courses covering topics such as product knowledge, cybersecurity, IPO placing procedures, best execution policies, credit and market risk management, and corporate social responsibility. Additionally, the courses addressed topics outlined in the Group's code of conduct, including conflicts of interest, protecting information, bribery, corruption, insider dealing, whistleblowing, and ESG practices.

Many of the online courses are mandatory for all employees, including contractors. These include essential training on AML/CFT, information security and cyber risk awareness, notification to the SFC – paragraph 12.5 of the Code of Conduct, anti-bribery and corruption, and client complaint handling. New employees also receive tailored training programs such as compliance induction and AML-specific training. For the avoidance of doubt, the Group does not have any part-time staff.

The Group emphasizes talent development by providing tailored training programs for employees at various career levels. In collaboration with internal departments and external training professionals, the Group conducted diverse sessions in 2024 focused on self-development, work competencies, ESG, and market trends. Three key programs offered to all employees included "Training Program on Effective Communication", "Internal Training by the Institutional Solution and Derivative Department", and "ESG Seminar – Eco-Boost Our Work Life". Management trainees and young professionals participated in specialized programs such as "Mastering Time and Influence: Essential Skills for Rising Leaders", "Performance Improvement and Positive Psychology in the Workplace" and "Problem-Solving and Action Planning Skills". Middle level supervisors attended a session titled "Mediating Conflicts at Workplace" which designed to equip leaders with tools for addressing workplace challenges effectively. Internal departments also provide targeted and real-time training initiatives aimed at enhancing employees' expertise and operational capabilities, including Project-Specific Skills Training, Client-Centric Product/Platform Training, and Level-Based Skills Training.

To further support professional development, the Group partnered with GTHT Training Center to offer all employees (including contractors) access to over 10,000 online training courses. These training courses are collaborated with influential institutions such as Tsinghua University, the University of Hong Kong, Shanghai Environment and Energy Exchange, The Association of Chartered Certified Accountants, and Chartered Financial Analyst, covering a variety of areas, including but not limited to leadership, project management, ESG and sustainable development and various professional knowledge.

In addition, this year, the Group and GTHT Training Center jointly held a series of trainings including "2024 On-air Refueling Station (Hong Kong Station) for International Talent", during which discussions were held on the global economy and market investment prospects, the overall picture of AI investment, cross-border Wealth Management Connect, and family offices.

These training initiatives reflect the Group's commitment to fostering a culture of continuous learning and equipping employees with both hard and soft skills. By addressing the development needs of employees at all levels, the Group strengthens leadership capabilities as a part of succession planning development, enhances team collaboration, and supports the long-term success of the Group.

## 6. Social Responsibility

In 2024, the Group's total employee training hours reached 18,986.67 hours, with the average training hours per employee increasing to 30.48 hours (2023: 30.27 hours). The training sessions offered during the year cover 100% of the Group's employees. Detailed training statistics are provided below:

Trained Employee by Gender and by Position Grade	2024		2023	
	Number	Proportion <sup>1</sup>	Number	Proportion <sup>1</sup>
<b>Gender</b>				
Male	341	55%	324	54%
Female	282	45%	277	46%
<b>Position Grade</b>				
Management	121	19%	110	18%
Manager	145	23%	152	25%
General Staff	357	57%	339	56%

Training Hours by Gender and by Position Grade	2024		2023	
	Total training hours	Average training hours <sup>2</sup>	Total training hours	Average training hours <sup>2</sup>
<b>Gender</b>				
Male	10,450.50	30.65	9,792.60	30.22
Female	8,536.17	30.27	8,401.30	30.33
<b>Position Grade</b>				
Management	4,006.82	33.11	3,387.00	30.80
Manager	4,492.62	30.98	4,575.90	30.10
General Staff	10,487.23	29.38	10,231.00	30.18
<b>Total</b>	<b>18,986.67</b>	<b>30.48</b>	<b>18,193.90</b>	<b>30.27</b>

1 The calculation formula of trained employee proportion for each category is: trained employee proportion in the specified category = the number of trained employees in that category / the total number of trained employees of the Group × 100%.

2 The calculation formula of average training hours for each category is: average training hours in the specified category = total training hours in that category / the total number of employees in that category by the end of the year.

#### Training Reimbursement

The Group actively supports employees in advancing their professional knowledge and skills, recognizing that such development enhances both individual growth and the Group's overall competitiveness. Upon completing probation, employees are eligible to apply for reimbursement of expenses related to work-related courses, examinations, licenses, and professional membership fees. Additionally, the Group provides study and examination leaves for employees undertaking relevant examinations. Professional memberships supported by the Group include, but are not limited to, those for Certified Public Accountants, Chartered Financial Analysts, and Financial Risk Managers.

#### Talent Pipeline Development Strategy

As a leading financial institution, the Group embraces the philosophy of "Talent as the First Resource." Its talent development pipeline strategy focuses on attracting high-caliber individuals and providing them with comprehensive training opportunities to support their professional growth and career advancement.

## 6. Social Responsibility

The Group remains committed to fulfilling its responsibility to nurture young talent. By continuously exploring diverse recruitment channels and offering ample career development opportunities, the Group aims to create a sustainable pipeline of skilled professionals who can contribute to its long-term success.

In March 2025, the Group collaborated with the University of Hong Kong to conduct career talks and promote its job opportunities for graduates. The event was well-received, with over 80 attendees gaining valuable industry information and insights, as well as benefiting from the work experience shared by our team.



#### *Management Trainee Program*

As one of the top-tier financial institutions in Hong Kong, the Group prioritizes nurturing the next generation of talent to become future leaders. The Management Trainee Program provides fresh graduates with a structured and holistic development experience, featuring rotations across core departments. This approach enables trainees to gain essential knowledge and skills in both frontline and back-office operations. Upon successfully completing the program, trainees are placed in designated departments based on their professional expertise, competencies, career aspirations, and alignment with the Group's business strategy. High-performing trainees with strong potential may be promoted to senior positions.

The most recent Management Trainee Program concluded in August 2024, with nearly 70% of participants successfully placed in designated roles. Following a competitive selection process, the Group has recruited a new cohort of management trainees who commenced their roles in September 2024. With guidance from experienced professionals and access to valuable market insights, the new trainees are expected to develop quickly, equipping themselves to become the professional leaders of the future.

#### *Performance Appraisal*

The Group conducts annual performance appraisals using the management by objectives approach. This process provides employees with a clear understanding of their developmental needs while helping them identify their strengths and areas for improvement. By leveraging these insights, the Group customizes training programs and allocates study resources tailored to individual roles and personal development preferences.

6. Social Responsibility

The performance appraisal process includes the following key steps:

1. Goals and KPIs setting:	2. Annual review:
Supervisors collaborate with employees to establish relevant goals and KPIs. This alignment ensures that individual objectives are consistent with organizational goals, driving mutual success and achieving positive outcomes.	Employees are evaluated based on their achievement of goals/KPIs, job competencies, and other work-related criteria. Supervisors provide constructive feedback, recognize accomplishments, and encourage further development to support continuous professional growth.

6.2.5. Recognition

In 2024, the Group’s exceptional dedication to ESG initiatives, workplace excellence, and sustainable finance was widely recognized through numerous prestigious awards. Reflecting its overall leadership in ESG, the Group was honored with “Best ESG” by Institutional Investor, the “Sustainable Asia Award”, and the “Best Investor Relations Company” award from Corporate Governance Asia. These accolades underscore the Group’s commitment to maintaining high standards across governance, sustainability, and investor relations.

Demonstrating its leadership in sustainable finance, the Group received multiple accolades from The Asset Triple A Sustainable Finance Awards, including Best Biodiversity-Themed Bond, Best Green Bond and Best Sustainability Bond. Additionally, the Group was recognized at the HKQAA 2024 Green and Sustainable Finance Awards, receiving the Outstanding Award for Green and Sustainable Loan Issuer (Securities Financial Services Industry) – Visionary Sustainability-linked Loan Performance Metrics. Further highlighting its achievements in this area, the Group was named both an “ESG Leading Enterprise” and a recipient of the “Sustainable Finance” award by Bloomberg BusinessWeek.

The Group’s commitment to fostering a supportive and inclusive workplace was also widely celebrated. For the 3rd consecutive year, it was named one of the “Best Companies to Work for in Asia” by HR Asia, which also recognized the Group with the “Diversity, Equity, and Inclusion Award” for the 2nd consecutive year. The Group’s dedication to employee well-being and social responsibility was further acknowledged through the “Caring Company” designation for the 10th consecutive year, the “Happy Company Award” for the 7th consecutive year.

These accolades highlight the Group’s holistic efforts to advance ESG initiatives, promote sustainable finance, and create a positive, inclusive workplace, solidifying its reputation as a leader in fostering meaningful impact across environmental, social, and governance domains.



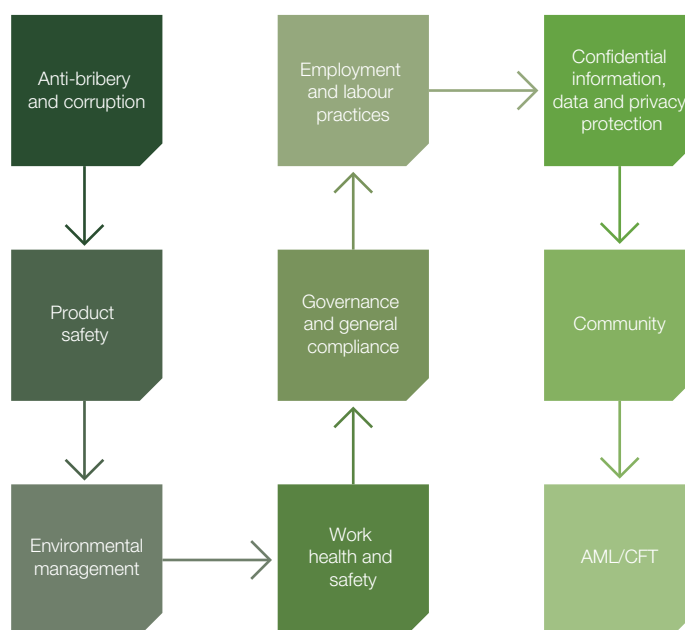
### 6.3. Sustainable Supply Chain

The Group recognizes that effective supplier management is integral to the success of its ESG practices.

#### *Supplier Evaluation Integrated with ESG Concepts*

The Group integrates sustainability principles across its supply chain through the implementation of the Supplier Sustainable Policy. This policy addresses ESG issues and risks, including employment and labor practices, anti-bribery and corruption, and the protection of confidential information, data, and privacy. These principles are considered during the selection, review, engagement, and contract renewal of all suppliers, with ongoing ESG risk assessments conducted throughout the contract term. The Supplier Sustainable Policy is available on the website of the Company under the “ESG Info” section.

Principles of Supplier Sustainable Policy



During supplier selection, relevant departments evaluate ESG performance, considering factors such as governance failures and political influence. If significant negative news or concerning behavior arises regarding an engaged supplier, the relevant departments should assess the situation and implement appropriate follow-up actions.

Key suppliers are required to sign a confirmation agreeing to adhere to the ESG principles outlined in the Supplier Sustainable Policy before engagement. For any key supplier unwilling to sign, relevant departments should conduct an ESG risk assessment to evaluate the implications before formal engagement.

The ESG Policy defines assessment criteria and due diligence procedures for supplier engagement, ensuring the quality of services and products along the supply chain. To mitigate risks, the Group performs annual reviews and maintains open communication with suppliers.



6. Social Responsibility

*Green Procurement*

The Group actively promotes the procurement of products and services that prioritize environmental sustainability, climate mitigation, and a reduced carbon footprint. In early 2024, the Procurement Management Policy was updated to further integrate ESG factors, including climate-related considerations, into the procurement process where feasible. Supplier assessments are conducted based on expertise, capabilities, and performance, with priority given to those that align with green and sustainable philosophies and adhere to the Supplier Sustainable Policy. The policy also defines a comprehensive assessment procedure to ensure the quality of services provided.

*Supply Chain Management*

To further enhance supply chain sustainability, the Group has incorporated ESG factors into its scoring mechanism for the tendering process. For example, all business partners, including external agencies, are required to acknowledge the Group’s anti-bribery and corruption standards, fully comply with relevant regulations and policies, and include anti-bribery and corruption terms in their contracts, as outlined in the Anti-Bribery and Corruption Policy. Furthermore, name screening for all business partners must be conducted through internal and external data sources to identify and mitigate potential risks related to money laundering, bribery, corruption, and other financial crimes.

Additionally, the Procurement Management Policy and outsourcing guidance clearly outline the evaluation process for suppliers, covering areas such as compliance, reputation, AML/CFT, information security, internal controls, disaster recovery arrangements, and other ESG-related performance metrics.

Geographical Location of Suppliers	Number of Suppliers in 2024
Hong Kong	252
Mainland China	53
United States	27
Europe	15
Singapore	4
Macao	3
Australia	1
Other Regions*	4
<b>Total</b>	<b>359</b>

\* South Korea, Malaysia and Seychelles.

6.4. Community Investment and Engagement

In 2024, the Group proudly embraced the theme “Love • Infinity – Green • Future” committing to supporting vulnerable communities while advocating environmental sustainability. The Group actively engaged with local communities across Hong Kong and Singapore, addressing diverse needs with boundless love and compassion. This year, the Group invested a total of HK\$108,000 and contributed 502.5 hours to impactful initiatives.

*Supporting Vulnerable Communities*

Throughout the year, the Group has prioritized supporting vulnerable communities through a range of impactful initiatives in Hong Kong and Singapore. The Group’s efforts have spanned from providing essential food to creating opportunities for emotional connection and personal growth. Below are several examples demonstrating the Group’s commitment to social responsibility.



## 6. Social Responsibility

Fundraising and Advocacy

The Group also participated in significant fundraising events aimed at raising awareness and providing financial support for vulnerable communities in both Hong Kong and Singapore.

The Group joined the Bloomberg Charity Relays in both Hong Kong and Singapore, demonstrating its commitment to community empowerment through sports. In Hong Kong, the Group participated in the **Bloomberg Square Mile Relay** at Edinburgh Place, Central, where a team of 10 volunteers took part in a mixed-gender relay, running to raise funds for local community initiatives. Similarly, in Singapore, the Group competed in the **Bloomberg Square Mile Relay**, an annual event where every mile run contributed to raising US\$30,000 for SportsCares.



Additionally, the Group continued its support for **Walk for Millions**, a key fundraising event in Hong Kong that contributes to vital resources for social welfare initiatives across diverse community sectors. Through participation, the Group advocated for the welfare of families in need and reinforced the importance of collective action in advancing community well-being, helping to ensure that these families have the necessary resources to meet their basic needs.



## 6. Social Responsibility

### Providing Food and Nourishment

The Group has been involved in initiatives aimed at ensuring vulnerable individuals have consistent access to essential nourishment. In Singapore, the Group supported **Willing Hearts**, a non-profit organization that provides nutritious meals to underprivileged and marginalized communities. Volunteers from the Group assisted with the preparation and distribution of 10,000 nutritious meals in Singapore. Additionally, through the **Bread Delivery #LoveOurSeniors** initiative, the Group helped deliver bread loaves to elderly residents across various locations, ensuring they had access to essential food despite mobility challenges. Similarly, in Hong Kong, the Group participated in the **Meals of Kindness** event, where volunteers prepared and delivered nutritious meals to individuals with limited mobility and those in need of food assistance. These initiatives demonstrate the Group's commitment to ensuring that vulnerable individuals have consistent access to essential nourishment, helping to improve both physical health and emotional well-being.



### Engaging Elderly and Promoting Social Interaction

The Group has actively fostered social engagement and intergenerational connections in Hong Kong. Through the **Turkish Mosaic Lamp Workshop**, volunteers collaborated with elderly participants in creative lamp-making activities to foster social interaction and effectively alleviate feelings of loneliness among seniors. Additionally, the **Rolling Joy Floor Curling** event encouraged elderly residents to stay active while enjoying social interaction. The **Inclusion Cup – Mölkky with the Elders** brought elderly participants and volunteers together for a friendly competition, strengthening intergenerational ties and fostering unity. These activities underscore the Group's commitment to creating inclusive spaces where vulnerable communities can engage, connect, and thrive together.



## 6. Social Responsibility

Supporting Children with SEN

The Group provides support to SEN children. Through the **Sweet Connections Bakery Sessions**, the Group provided families with SEN children an opportunity to bond while participating in a fun and inclusive baking experience. Volunteers participated in tailored activities that fostered inclusion, understanding, and confidence, ensuring each child felt valued as they began their educational journey. In addition, the Group offered relaxation opportunities for parents, supporting their well-being as they navigated this important transition with their children.



The Group remains committed to corporate social responsibility by actively engaging in community initiatives that support education, environmental protection, and vulnerable groups. In 2024, the Group continued its ESG-driven efforts, aligning with key thematic days such as World Blood Donor Day, National Science Popularization Action Day, Earth Hour Asia, and China Children's Charity Day to highlight its social impact and demonstrate how its initiatives contribute to a better world.



Looking ahead to 2025, the Group will deepen its community involvement and reinforce its commitment to caring for vulnerable groups. Through a range of diverse initiatives, the Group will continue to promote the physical and mental well-being of those in need while helping them navigate various challenges. The Group's community care programs will include compassionate visits, psychological support, social activities, and inclusive sports initiatives, ensuring holistic support for those who need it most.

By strengthening connections with the community, the Group aim to foster greater social participation and collaboration, creating a warm and supportive environment where individuals and families can thrive. Through these efforts, the Group remains dedicated to building a more inclusive and resilient society, where care and solidarity drive meaningful change.



## 7. Environmental Responsibility



The Group recognizes its responsibility to address the environmental and ecological impact of its operations and strives to operate in a manner that minimizes harm to the environment. In compliance with the Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong) and other relevant environmental laws, regulations, and industry standards across its operating locations, the Group has implemented comprehensive policies and initiatives. These measures aim to reduce pollution, minimize waste, conserve energy and natural resources, and promote environmental awareness among employees through targeted training programs.

## 7.1. Environmental Targets

In 2024, the ESG Committee approved the following environmental targets and plans, and reported to the Board.

### *Air Pollutants and GHG*

Aspects	Metrics	Specific targets and plans	Target time	Progress
Overall GHG emissions		Reduce operational GHG emissions by 50% as compared with 2023 as the baseline year	2030	On-track
Scope 1 Emissions	Vehicle petrol and fugitive emissions (refrigerant)	Replace traditional fuel vehicles with cleaner alternative fuel vehicles on demand	2030	On-track
		Closely monitor fuel consumption to avoid wasting resources	Ongoing	On-track
Scope 2 Emissions	Electricity and cooling consumption	Adjust indoor room temperature within the control range of the Group to over 25°C	Ongoing	On-track
		Post power-saving signs near the switches to raise employees' awareness	Ongoing	On-track
		Enable power saving mode for monitors	Ongoing	On-track
		Reduce electricity and cooling consumption by adopting more cloud services	Ongoing	Basically completed. Demand for VMs may increase depending on business need
Scope 3 Emissions	Air business travels and disposal of paper waste	Promote office digitalization to reduce paper consumption by continuously enhancing online account opening process and launching more internal e-workflows	Ongoing	On-track

7. Environmental Responsibility

Waste Emission

Aspects	Metrics	Specific targets and plans	Target time	Progress
Hazardous waste	Waste toner, cartridge, light tubes, computers, and servers	Return waste toners and cartridges to supplier for proper handling	Ongoing	On-track
		Return waste light tubes to the premise management office for proper handling	Ongoing	On-track
		Reduce the number of printers while concurrently decreasing waste from waste toner and cartridges	Ongoing	On-track
Non-hazardous waste	Household waste, office consumables and paper use	Recycle 100% wastepaper through qualified vendors	Ongoing	On-track
		Conduct paperless customer satisfaction surveys	2024	Completed
		Continuously enhance online account opening platform to reduce the paper consumption	Ongoing	On-track
		Launch the online subscription feature for money market funds	2024	Completed
		Develop green and digital financial services to reduce paper usage	Ongoing	On-track
		Recycle 100% used coffee capsules	Ongoing	On-track
		Implement separation of domestic waste	Ongoing	Completed. Recycling bins on each floor of the office have been set up in 2024

## 7. Environmental Responsibility

*Energy Consumption Efficiency*

Aspects	Metrics	Specific targets and plans	Target time	Progress
Energy consumption	Energy utility intensity	Implement VDI services and expand the adoption of VPN that support both normal operations and BCP to facilitate the implementation of hot desking initiatives and minimize the total number of computers	2024	Further reduced around 100 desktop computers in 2024
			2025	On track. Target to further reduce by 50 units in 2025
		Adopt VMs and containerization to improve the utilization of physical servers, thereby reducing the total number of servers	Ongoing	Completed. VMs increased by around 35 units while physical servers decreased by around 5 units during the year
		Reduce the number of server racks by approximately 40% used at external data centers	2024	Completed. Server racks used at external centers decreased from 20 units to 12 units
		Switch to 100% LED lighting to minimize electricity usage	2030	On-track. Offices are now installed with 62% LED lights as of 31 December 2024
		Reduce electricity consumption by 10% as compared with 2023 as the baseline year	2030	On-track. In 2024, electricity consumption was 900,826 kWh, representing a year-on-year decrease of 3.54% (compared to 933,907 kWh in 2023)

*Water Consumption Efficiency*

Aspect	
Water consumption	Not applicable as there is no individual water meter installed by the premise management office



7. Environmental Responsibility

7.2. Tackling Climate Change

In light of the escalating significance of climate change, which has been demonstrated by the heightened occurrence of extreme weather events resulting in substantial losses and widespread impact, the Group recognizes the importance of the changing climate and is committed to enhancing its climate resilience and promoting decarbonization in the economy alongside its clients. In 2024, the Group has further updated the Climate Change Policy to strengthen its control over climate-related risks and opportunities, as well as mitigate related impacts by enhancing the climate risk management framework and internal control policies.

With reference to the framework of IFRS S2, which is structured around four thematic areas: governance, strategy, risk management, and metrics and targets, acts as a tool to systematically highlight the Group's efforts in managing climate-related risks and capitalizing on climate-related opportunities.

Governance

The Group is committed to considering climate change throughout its business activities. To enhance the governance of climate change issues, the Group continuously strengthens its ESG governance framework, establishing a comprehensive three-level governance structure of “supervisory-management-execution level”. This structure incorporates climate change considerations into the responsibilities at all levels within the Group. Under the oversight of the Board and leadership of the management, the Group aims to build an effective and efficient corporate culture to manage climate-related risks and opportunities.

The Board and the ESG Committee possess sufficient knowledge of climate-related risks and their impact on the Group. Regular training on climate-related risk management is provided to further enhance the awareness of management and employees regarding climate change and risk contingency planning.

Climate Change Governance

Climate Change Governance Structure	Major Duties
Supervisory Level	
The Board	Holds ultimate responsibility for overseeing climate-related strategies, objectives, significant issues as well as climate-related risks and opportunities. It actively engages in, with the assistance from the ESG Committee, addressing matters pertaining to climate change governance.
Management Level	
ESG Committee	Under the authority of the Board, it plays a crucial role in developing climate strategies and plans. Responsible for identifying, assessing, managing, and reviewing climate-related issues, risks, opportunities, targets, and tracking progress toward achieving these goals. Furthermore, it aids the Board in overseeing significant climate-related risks and reports critical climate change matters to the Board regularly.
	Chaired by INED and is comprised of management and heads of relevant departments as members.

## 7. Environmental Responsibility

Climate Change Governance Structure	Major Duties
Execution Level	Composed of three issue-specific working groups, with members including responsible parties from the front, middle, and back offices. They are responsible for formulating and implementing specific work plans based on the climate strategies and plans developed by the ESG Committee. They are also responsible for identifying important climate issues, climate risks, and opportunities, and regularly reporting the latest work progress and plans to the ESG Committee, assisting the ESG Committee in keeping abreast of the latest climate change-related information.
ESG Working Group	<p><u>Sustainable Finance Division</u> Responsible for integrating climate risk and opportunity analysis at the practical business level and advancing sustainable investment and financing initiatives.</p> <p><u>Environmental Division</u> Responsible for enhancing employees' awareness and capabilities in addressing climate change within the business operations, while fostering a green office culture and atmosphere.</p> <p><u>Social Division</u> Responsible for promoting climate-related activities and education.</p>
Frontline, middle and back offices	Responsible for implementing the strategies and objectives related to climate change set by the supervisory and management levels, and integrating them into their daily business operations.

### Strategy

Climate change presents a wide range of impacts, from physical risks to business operations, supply chains and investment portfolios, to challenges and opportunities associated with transitioning to a lower carbon economy. The Group acknowledges that climate change can significantly impact its operations and the financial landscape, influencing the growth potential, profitability, cash flows, and balance sheets of entities it invests in and finances. This, in turn, directly impacts the Group's ability to generate long-term value for investors.

The Group recognizes the importance of integrating climate considerations into its investment and financing approach to address both the risks and opportunities posed by climate change. The Group regularly reviews the Climate Change Policy and adheres to promoting sustainable business practices while improving the risk-return profile of the overall portfolio.

## 7. Environmental Responsibility

In alignment with its clients' investment objectives, the Group aims to address climate-related risks and capitalize on opportunities by prioritizing financing and investments in companies progressing toward low GHG emissions and climate-resilient development. The Group has defined and implemented its sustainable finance strategy, incorporating the following activities into its business operations:

- **Screening:** Select or exclude investments through negative, positive, or norms-based screening approaches
- **ESG Integration:** Incorporate ESG and climate factors into financial analysis systematically
- **Thematic Investing:** Invest in themes and assets related to sustainability
- **Impact/Community Investing:** Direct investments to address social or environmental challenges, supporting underserved areas
- **Stress Tests:** Conduct environmental stress tests on the underlying assets involved in the investment and financing activities, utilizing internationally recognized climate scenarios and modeling tools to assess the theoretical or potential risks associated with its investment and credit portfolios
- **Regular Internal Climate-related Training:** Organize regular training sessions to enhance departmental staff's awareness of climate risks and strengthen their ability to manage and respond to these risks effectively
- **Corporate Engagement and Shareholder Action:** Leverage shareholder power to guide corporate practices through direct engagement

In line with these initiatives, the Risk Management Department will introduce a new risk management platform system by 2025. This system will greatly contribute to the overall solution by integrating relevant ESG data and scenario model. These solutions, developed in-house and by vendors, will perform scenario analysis and sensitivity management to enhance the evaluation and continuous monitoring of our investment and financing exposures.

Please refer to Section 8. Green and Sustainable Finance of this report for details.

By implementing the sustainable finance strategy within its business operations, the Group conducted a comprehensive assessment to identify potential climate-related risks that could significantly impact its business and value chain. This proactive risk identification process, designed to enhance effective risk management, was informed by extensive market research and supported by surveys conducted with internal industry experts.

### *Physical Risks*

Physical risks, including both acute and chronic risks, represent the direct financial risks associated with a changing climate. Acute physical risks arise from extreme weather events like typhoons and floods, whereas chronic physical risks emerge from long-term climate shifts, including rising sea levels, changing precipitation patterns, and increasing average temperatures. These risks can result in direct damage to physical assets, disrupt operations and supply chains, and ultimately impact human safety and asset valuations.

### *Transition Risks*

Transition risks are financial risks related to the shift towards a low-carbon economy, including policy and legal risks, technology risks, market risks, and reputational risks. These risks emerge from changing investor preferences for greener alternatives, potential declines in brand value for companies that fail to adapt, challenges associated with adopting new sustainable technologies, and the effects of new regulations promoting sustainability. Transition risks highlight the financial and operational challenges that companies face as they shift towards more sustainable practices.

## 7. Environmental Responsibility

Following the identification of climate-related risks, the Group carried out a scenario analysis to evaluate the potential impacts of both physical and transition risks, identifying the Group's potential vulnerabilities. The findings from this analysis form the foundation for integrating climate-related risks into the Group's risk management processes.

The Group adopted the Turquoise and Brown Scenarios for its analysis of physical and transition risks, drawing on publicly available data from the IPCC and the NGFS. These scenarios incorporate a diverse array of factors, including political, environmental, economic, and social elements, utilizing open-source data and models. They provide projections to evaluate climate change's potential impacts from the short (2025) to medium term (2030) and into the long term (2050). We have structured our assessment of climate-related risks and opportunities across three distinct time horizons. The short-term horizon, set for 2025, emphasizes immediate actions and regulatory responses. The medium-term horizon, designated for 2030, captures progressive policy adjustments and technological advancements. Finally, the long-term horizon of 2050 ensures our strategic alignment with Hong Kong's Climate Action Plan 2050.

The IPCC's scenarios are divided into RCP scenarios, which detail GHG emissions trajectories, and SSP scenarios, which provide socioeconomic contexts to refine these emissions projections, ultimately improving the accuracy of climate projections. Both the IPCC and NGFS scenarios include assumptions regarding changes in climate policy, along with economic and demographic developments.

	Turquoise Scenarios	Brown Scenarios
<b>Scenario Referenced</b>	<ul style="list-style-type: none"> <li>• RCP 2.6</li> <li>• SSP 1 – 2.6</li> <li>• NGFS Orderly pathways (Below 2°C)</li> </ul>	<ul style="list-style-type: none"> <li>• RCP 8.5</li> <li>• SSP 5 – 8.5</li> <li>• NGFS Hot house world pathways (current policies)</li> </ul>
<b>Global Average Temperature Projection</b>	1.5°C to 2°C by 2100 compared to pre-industrial level	Above 3°C by 2100 compared to pre-industrial level
<b>Scenario Description</b>	Envision a sustainable, net-zero world by 2050, driven by robust climate policies, renewable energy transition, and strong corporate commitment to decarbonization, highlighting a relatively low physical but high transition risks	Reflect a reliance on fossil fuels, limited climate action, and economic growth prioritizing short-term gains over sustainability, leading to relatively high physical risks and minimal transition challenges

#### Physical Risk Scenario Analysis

The Group has undertaken efforts to evaluate and comprehend the potential physical risks to the Group's major operations by performing a location-based quantitative risk assessment in Hong Kong and Singapore, which includes its significant human capital and physical assets.

By employing the IPCC scenarios—SSP1-2.6 and RCP2.6 as baseline scenarios, and SSP5-8.5 and RCP8.5 as stressed scenarios, the Group evaluated the impact of climate change across two different climate futures. The analysis concentrated on projections from climate models regarding the intensity of various weather events at its selected locations in future timeframes.

7. Environmental Responsibility

Transition Risk Scenario Analysis

To analyze the Group’s potential transition risk, the Group assessed its value chain as a Chinese securities company and carried out a mixed-method risk assessment utilizing the NGFS scenarios.

The NGFS scenarios provide flexibility for assessing climate-related risks in the financial sectors, featuring a baseline scenario (NGFS current policies) and a stressed scenario (NGFS below 2°C). To evaluate the transition risks within its value chain, the Group analyzed quantitative data from the NGFS database to understand macroeconomic changes across different scenarios. Furthermore, the Group conducted qualitative research on policies and regulations and gathered insights from business functions regarding its resilience to climate change. This qualitative assessment, intended to enhance the quantitative data, offers narrative insights into a more comprehensive understanding of transition risks and evaluates the actual climate risks facing the Group’s operations.

Climate-related Risks and Opportunities

The Group has identified material physical and transition risks and opportunities, along with their corresponding time horizons and financial impacts.

The details of the identified risks and opportunities are listed in the tables below:

Climate-related risks and their potential financial impacts

Category	Time Horizon	Description	Potential Financial Impacts
Physical Risks			
Acute	Short- to Long-term (2025 to 2050)	Extreme weather events (e.g., extreme temperatures and rainfall floods) may damage physical assets, disrupt operations, and lower productivity due to increased employee absenteeism.	<ul style="list-style-type: none"><li>• Higher insurance claims and premiums</li><li>• Higher costs for repairing damaged assets</li><li>• Loss of revenue due to operational disruptions and lowered productivity</li></ul>
Chronic	Medium- to Long-term (2030 to 2050)	Long-term climate changes (e.g., rising sea levels, increased annual precipitation, higher average temperatures and decreased average wind speeds) may devalue assets in climate-vulnerable areas and investments with high ESG risks, while also increasing operational costs.	<ul style="list-style-type: none"><li>• Higher insurance claims and premiums</li><li>• Higher operational costs for cooling, water and energy</li><li>• Lower asset values</li><li>• Higher portfolio volatility</li></ul>
Transition Risks			
Policy and Legal Risk	Medium- to Long-term (2030 to 2050)	<p>Stricter climate regulations (e.g., carbon taxes and climate-related disclosure requirements) may increase compliance costs and devalue investments with high ESG risks. Borrowers in high-ESG risk sectors may also face financial distress as a result.</p> <p>Potential environmental lawsuits (e.g., contributing to environmental damage and non-compliance with environmental regulations) may heighten litigation exposures.</p>	<ul style="list-style-type: none"><li>• Higher operational costs and legal costs</li><li>• Potential reputational damages</li><li>• Higher portfolio volatility</li><li>• Higher bad debt risk</li></ul>

## 7. Environmental Responsibility

Category	Time Horizon	Description	Potential Financial Impacts
Technology Risk	Medium- to Long-term (2030 to 2050)	<p>Rapid growth in demand for transitioning to low-carbon technologies may render certain investments and assets obsolete.</p> <p>Potential unsuccessful investment in new technologies may lower the profit of the Group.</p>	<ul style="list-style-type: none"> <li>• Higher research and development costs and adoption costs for new technologies</li> <li>• Lower asset values</li> </ul>
Market Risk	Medium- to Long-term (2030 to 2050)	<p>Market reorientation, driven by changing consumer preferences for sustainable products and services, may lead to intensified competition in green financial innovation.</p> <p>The potential widespread instability caused by the direct and indirect impacts of climate change may lead to increased market volatility and financial uncertainty.</p>	<ul style="list-style-type: none"> <li>• Loss of revenue from investments with high ESG risks</li> <li>• Higher research and development costs for product and service innovation and competition</li> <li>• Higher portfolio volatility</li> </ul>
Reputation Risk	Short- to Long-term (2025 to 2050)	Inadequate climate action may lead to negative public perceptions.	<ul style="list-style-type: none"> <li>• Potential reputational damages</li> <li>• Loss of clients and talents</li> </ul>

## Climate-related opportunities and their potential financial impacts

Category	Time Horizon	Description	Potential Financial Impacts
Resource Efficiency	Medium- to Long-term (2030 to 2050)	Green office practices and operations, such as water reduction and the use of more efficient office supplies, can reduce operational costs.	<ul style="list-style-type: none"> <li>• Lower operational costs</li> </ul>
Energy Source	Medium- to Long-term (2030 to 2050)	Transitioning to renewable and low-carbon energy sources in place of traditional high-carbon energy can help reduce the energy expenditures of the Group in the long term.	<ul style="list-style-type: none"> <li>• Lower operational cost</li> </ul>
Product and Service	Medium- to Long-term (2030 to 2050)	Introducing green financial products and services, such as green bond advisory and underwriting services, can facilitate the creation of new growth opportunities for the Group.	<ul style="list-style-type: none"> <li>• New revenue streams from green financial products and services</li> </ul>
Market	Medium- to Long-term (2030 to 2050)	New opportunities for growth and expansion can emerge from market segments focused on eco-friendliness.	<ul style="list-style-type: none"> <li>• New revenue streams from green financial products and services</li> </ul>
Resilience	Medium- to Long-term (2030 to 2050)	Adoption of energy-efficiency measures can increase the resilience of the Group and benefit from lower insurance premiums.	<ul style="list-style-type: none"> <li>• Lower operational cost</li> </ul>

## 7. Environmental Responsibility

### *Climate Risk Management*

The Group conducts regular reviews of climate-related risks and opportunities to track significant climate change issues and evaluate their potential business and financial impacts on operations. After conducting a thorough climate risk identification and assessment, the Group has engaged internal stakeholders to understand the implications of the assessment findings. This engagement enables key personnel to understand the potential challenges presented by climate change and to take proactive action in response to these risks. In accordance with the relevance and materiality of the risks, the Group develops and regularly reviews targeted strategies, management measures, and controls to enhance the Group's risk management proficiency and resilience.

The Group has adopted a holistic approach by integrating climate risk management into its overall risk management framework, ensuring that significant climate risks are identified, measured, assessed, and mitigated across market risk, credit risk, operational risk, and other risk categories. As part of this integration, the Risk Management Department has established policies and procedures to embed climate risk management into daily operations. ESG and climate risk assessments have been incorporated into the approval process for investment and financing activities, serving as key evaluation factors. To further enhance risk management, the Group has implemented a negative list and strengthened due diligence guidelines and processes. Additionally, ESG considerations have been integrated into daily public opinion monitoring, enabling the relevant risk teams to promptly address significant ESG risk events.

In addition, the Group is committed to considering industry best practices to enhance its capacity to respond to climate change measures. This includes regularly reviewing the latest industry responses and trends related to climate change, allowing for timely updates and improvements to the Group's climate risk management measures. To specifically address risks associated with both public and private funds managed by the Group's asset management business, the Group has implemented the Asset Management Climate-related Risk Management Policy. This policy outlines the management of climate-related risks across governance, investment management, and risk management aspects in asset management business.

These initiatives highlight the Group's commitment to embedding climate awareness at the core of its risk management strategy, ensuring a proactive and informed response to climate-related challenges throughout the organization.

Please refer to Section 8. Green and Sustainable Finance of this report for details.

### *BCP*

In response to the risks posed by extreme weather due to climate change, the Group has developed BCPs within a comprehensive framework, focusing on the critical processes and support functions of each core business. The BCPs are designed to prevent significant disruptions and ensure operational continuity during disasters and extreme weather conditions. They are regularly designed, assessed, reviewed, and updated. To maintain their effectiveness, the BCPs undergo a rigorous cycle of design, testing, assessment, review, and updating. Regular drills and simulations are conducted to test the plans under realistic scenarios, allowing the Group to identify any weaknesses and make necessary adjustments. This iterative process ensures that the plans remain relevant and effective in addressing evolving risks. Furthermore, the Group has established a comprehensive mechanism for the annual assessment of the BCPs. This includes a thorough review process to confirm their validity, completeness, and alignment with best practices in business continuity management. Updates to the plans are made as needed, taking into account changes in the operational environment, advancements in technology, and lessons learned from previous incidents. By implementing these measures, the Group is committed to enhancing its resilience against the impacts of climate change and ensuring the safety and security of its operations. In November 2024, the Group successfully completed a BCP drill test involving numerous systems used in daily work to ensure the BCP's effectiveness in real-life scenarios.



## 7. Environmental Responsibility

The Staff Handbook outlines working arrangements during “extreme condition” weather warnings to ensure alignment with the BCP. In 2024, the Group updated the handbook following the implementation of severe weather trading at the Stock Exchange, providing clearer guidance on severe weather protocols and reinforcing the practicality of the BCP.

Additionally, the Group facilitates operational continuity during extreme weather events by enabling remote access systems, allowing employees to work from any location. The Group is also prepared to relocate designated disaster recovery office sites if necessary, ensuring uninterrupted business operations.

### *Metrics and Targets*

The Group sets metrics and targets to monitor its exposure to climate-related risks and potential opportunities. It regularly measures, reports, and tracks GHG emissions from business operations, maintains a comprehensive carbon inventory that supports the development of carbon reduction strategies and targets.

In 2024, overall GHG emissions increased by approximately 5% compared to the previous year, mainly due to the increase in air business travel as a result of economic recovery. Although Scope 3 emissions rose, Scope 1 and Scope 2 emissions decreased by approximately 14% and 7%, demonstrating the Group’s effort on carbon reduction throughout daily operations. The Group aims to reduce the need for air travel through different measures, such as virtual meetings and flexible working arrangements.

Currently, the Group monitors and reports on Scope 3 GHG emissions associated with air travel, waste disposal and water consumption. Going forward, the Group aims to expand the Scope 3 emissions assessment to include both upstream and downstream value chains, thereby improving the transparency of its carbon footprint.

For details on GHG emissions, please refer to Section 7.4 of the Environmental Performance Table in this report.

The Group will continue to evaluate and monitor GHG emissions across its investment value chain, implementing and maintaining oversight of appropriate risk management measures to ensure compliance with regulatory requirements. Furthermore, the Group will monitor additional climate-related factors beyond regulatory obligations, incorporating them into decision-making processes and managing risks based on actual conditions to uphold a comprehensive approach.

The Group is also committed to developing more detailed metrics and targets in response to identified climate-related risks, enhancing its ability to track efforts in combating climate change. Where feasible, the Group will formulate long-term carbon reduction strategies and targets to minimize its carbon footprint, regularly review these measures to ensure effectiveness and facilitate necessary updates to strategies, thus reinforcing its commitment to addressing climate change.

## 7. Environmental Responsibility

### 7.3. Green Office and Operation

Despite financial institutions typically having relatively low operational emissions, the Group acknowledges the importance of addressing its environmental impact and operating sustainably. Guided by its ESG policy, the Group focuses on implementing measures to reduce and mitigate the environmental effects of its business activities. This policy addresses key areas such as climate change management, energy efficiency, waste reduction, low-emission travel, and biodiversity conservation. In alignment with its goal of minimizing its environmental footprint, the Group prioritizes the effective management of energy consumption, water usage, air emissions, and waste production.

#### *Energy and Air Emissions Management*

To manage energy consumption and air emissions effectively, the Group has implemented various measures.

Electricity consumption is the primary source of carbon emissions in the Group's daily operations. To enhance energy efficiency, the Group has introduced several energy-saving measures. Power-saving signs are placed near switches in the office to raise employee awareness. The Group is replacing T5 and T8 incandescent tubes with energy-efficient LED lighting as part of its renovation plan. Currently, 62% of corporate office lighting has been upgraded to LED, with a target of 100% LED adoption by 2030. Additionally, indoor office temperatures have been set to 25°C or above to reduce energy usage.



The Group has also activated power-saving modes for monitors and is reducing electricity and cooling consumption through the adoption of cloud services. This includes implementing VDI and expanding the use of VPNs to support normal operations and BCP. These initiatives facilitate hot desking and help minimize the total number of computers in use. Furthermore, the Group is optimizing server utilization by adopting virtual machines and containerization, which aims to reduce the total number of physical servers and decrease the number of server racks in external data centers by approximately 40%.

In line with its focus on energy efficiency, the Group strictly adheres to the Code of Practice for Energy Efficiency of Building Services Installation issued by the Electrical and Mechanical Services Department during renovation works. In the future, the Group plans to explore additional energy-saving solutions, including the use of zone timers, and open-plan layouts, to further enhance energy savings.

The Group also acknowledges the air emissions generated by its operations and has taken steps to minimize them. Future vehicle replacements will prioritize new energy vehicles, and the Group will continue to promote video conferencing through virtual meeting platforms to reduce business travel, while selecting low-emission transportation options for necessary trips. Additionally, fuel consumption will be closely monitored to prevent resource wastage. In 2024, the Group successfully phased out FM200 fire extinguishing agents, known for their high global warming potential, as part of its efforts to reduce air emissions and energy consumption.

For more information on energy consumption and air pollutant data, please refer to Section 7.4 Environmental Performance Table of this report.

## 7. Environmental Responsibility

*Water Management*

The Group's water usage is primarily limited to office activities and cooling data servers, and due to the nature and location of its operations, water sourcing is not considered a significant concern. Nevertheless, the Group actively promotes water conservation across its daily operations. To support this effort, leakage sensors have been installed, and water-saving signage is strategically placed near faucets and dispensers to raise employee awareness and encourage responsible water usage.



As water consumption data is centrally recorded by the building management office and individual water meters are not installed in the offices, the Group is unable to provide specific figures for office water consumption. However, information on separately purchased chiller water supply is available and disclosed where applicable.

For water consumption details, please refer to Section 7.4 Environmental Performance Table of this report.

*Waste Management*

Most of the waste generated by the Group's business operations is non-hazardous, including household waste, office consumables, and paper usage. To manage both hazardous and non-hazardous waste effectively, the Group has implemented various initiatives, focusing on digitalization and paperless solutions through cross-departmental collaboration.

*Non-hazardous Waste*

In 2024, the Group further advanced its paperless initiatives across operations, driving digitization and reducing paper consumption. Enhancements to the online account opening process continued, alongside the introduction of additional internal electronic workflows to support office digitalization.

To further advance digitalization, the Group focused on green financial services and implemented additional electronic workflows. In January 2024, a paperless customer satisfaction survey was conducted using an online questionnaire. The Group also introduced online subscription functionality for money market funds through the "Wealth Management" channel of the mobile application, allowing existing customers to subscribe to a range of fund products online, including money market funds, equity funds, bond funds, and mixed funds, thereby enhancing accessibility and convenience for wealth management activities.



## 7. Environmental Responsibility

In waste management, the Group took proactive measures to reduce domestic waste by providing reusable utensils in pantry areas and encouraging employees to bring their own containers for takeout, significantly reducing reliance on disposable plastics. In 2024, the Group recycled 100% of used coffee capsules and implemented a comprehensive recycling and reuse program for office supplies, including idle stationery. Waste separation bins were placed on every office floor, supported by classification guideline posters to ensure proper waste disposal.

The Group also partnered with qualified vendors to recycle paper, plastic, and metal waste generated from operations. Group is committed to expanding its recycling efforts and aims to include a broader range of waste types in its recycling program where possible.

### Hazardous Waste

Efforts to minimize hazardous waste focus on adopting longer-lasting LED light tubes and reducing the use of toners and cartridges through the Group's transition to paperless operations. In 2024, the Group achieved a 100% recycling rate for hazardous waste, ensuring proper handling and disposal. Waste toners and cartridges were returned to suppliers, light tubes were sent back to the building management office for appropriate disposal, and electronic devices were managed by vendors approved by the Hong Kong Government for electronic waste disposal.



### Achieving Carbon Neutrality at Operational Level

In 2024, the Group successfully offset its 2023 carbon emissions by purchasing carbon credits from verified forestry projects, achieving operational-level carbon neutrality for the second consecutive year. This initiative highlights the Group's commitment to addressing climate change and supporting biodiversity through reforestation efforts. The Group will continue to align with the national "dual carbon" goals, actively exploring opportunities to further reduce GHG emissions through improved energy efficiency, water conservation, and waste minimization. These efforts are integral to the Group's comprehensive approach to environmental responsibility under its ESG framework.



During the Reporting Period, the Group did not identify any material non-compliance with laws and regulations related to air and GHG emissions, discharges into water and land, or the generation of hazardous and non-hazardous waste that could have a significant impact on its operations.



## 7. Environmental Responsibility

*Protecting Environment and Biodiversity*

In May, the Group's volunteer team organized a tree-planting activity at the Yuen Tun Country Trail in Tai Lam, planting over 150 native saplings. This activity is part of the Company's ongoing efforts to engage in meaningful ecological restoration initiatives, including previous conservation projects such as coastline recovery, invasive species clearance, and reforestation efforts. These initiatives underscore the Company's long-term commitment to nature conservation and fulfilling its social responsibility toward environmental protection.



The Group also marked International Biodiversity Day on May 22 by showcasing its recent biodiversity conservation efforts and conducting internal and external campaigns to raise awareness about the importance of protecting ecosystems. This initiative aimed to educate employees and clients on biodiversity issues, fostering collective action for environmental preservation.

In December, the Group engaged its volunteer team and departments from the Greater Bay Area headquarters in a mangrove conservation activity in Shenzhen. Acting as green ambassadors, participants hiked through the mangrove reserve, engaged with visitors, and promoted public awareness of mangrove ecosystems' critical role in coastline protection and biodiversity.



## 7. Environmental Responsibility

### *Green Awareness Promotion*

In 2024, the Group implemented a range of initiatives to promote green awareness and encourage employees to adopt environmentally friendly practices both at work and in their daily lives.

In March, the Group participated in the global “Earth Hour” initiative, urging employees to turn off lights as a symbolic action to support ecological protection and sustainable living. Moreover, the Group actively participated in the “Green Office Awards Labelling Scheme” initiated by the World Green Organisation, which supports offices in going green across several stipulated aspects of operations, and training in United Nations Responsible Management Education. This involvement reflects our commitment to achieving the UNSDGs and promoting sustainable practices and awareness in the workplace.

To further integrate sustainability into its corporate culture, the Company updated its onboarding training materials for new employees to include ESG-related content, while also issuing internal notices and displaying posters to introduce “reuse-focused” green initiatives implemented in the office. These efforts aim to ensure employees are well-informed about the Company’s sustainability goals and motivated to adopt environmentally responsible practices.



## 7. Environmental Responsibility

## 7.4. Environmental Performance Table

Performance Indicator	Unit	2024	2023
<b>GHG Emissions<sup>1</sup></b>			
Scope 1 emissions <sup>2</sup>	tonnes CO <sub>2</sub> e	10.44	12.11
Scope 2 emissions <sup>3</sup>	tonnes CO <sub>2</sub> e	598.85	642.23
Total Scope 1 and 2 emissions	tonnes CO <sub>2</sub> e	609.29	654.34
Scope 3 emissions <sup>4</sup>	tonnes CO <sub>2</sub> e	566.15	462.58
Air Business Travel	tonnes CO <sub>2</sub> e	560.01	422.22 <sup>5</sup>
Waste Disposal	tonnes CO <sub>2</sub> e	5.97 <sup>6</sup>	40.16 <sup>5</sup>
Water Consumption	tonnes CO <sub>2</sub> e	0.17	0.20
Total GHG emissions	tonnes CO <sub>2</sub> e	1,175.43	1,116.84
GHG emission intensity	tonnes CO <sub>2</sub> e/employee	1.89	1.86
GHG emission intensity	tonnes CO <sub>2</sub> e/sq.ft.	0.01	0.01
<b>Energy Use</b>			
Petrol <sup>7</sup>	Liters	4,534.23	4,554.64
Electricity	MWh	900.83	933.91
Cooling (Electricity) <sup>8</sup>	MWh	31.55	35.00
Total energy consumption	MWh	976.32	1,013.05
Intensity of energy consumption	MWh/employee	1.57	1.69
Intensity of energy consumption	MWh/sq.ft.	0.01	0.01
<b>Air Emissions<sup>9</sup></b>			
Nitrogen Oxides (NOx)	kg	2.02	2.21
Sulphur Oxides (SOx)	kg	0.07	0.07
Particulate Matter (PM)	kg	0.15	0.16
<b>Water Consumption<sup>10</sup></b>			
Water Consumption	m <sup>3</sup>	254.8	310.2 <sup>5</sup>
Intensity of water consumption	m <sup>3</sup> /employee	0.41	0.52
Intensity of water consumption	m <sup>3</sup> /sq.ft.	0.00	0.00
<b>Waste</b>			
Total hazardous waste	tonnes	2.28	1.92
Intensity of hazardous waste	tonnes/1,000 employee	3.66	3.20
Intensity of hazardous waste	tonnes/1,000 sq.ft.	0.03	0.02
Total non-hazardous waste	tonnes	16.46	19.71 <sup>5</sup>
Intensity of non-hazardous waste	tonnes/1,000 employee	26.42	32.79 <sup>5</sup>
Intensity of non-hazardous waste	tonnes/1,000 sq.ft.	0.21	0.24

1 GHG emissions are calculated with reference to the GHG Protocol published by the World Resources Institute and the World Business Council on Sustainable Development, the Global Warming Potential Values from the IPCC Sixth Assessment Report published by the IPCC, the Calculation Tools and Guidance: Emission Factors published by GHG Protocol, United Kingdom Government GHG Conversion Factors for Company Reporting published by the Department for Business, Energy and Industrial Strategy in the United Kingdom, and other national and local grid emission factors. Emission factors are updated on an annual basis, in order to reflect the actual situation regarding emissions.

2 Scope 1 emissions include combustion of unleaded petrol and fugitive emissions from refrigerant.

3 Scope 2 emissions include indirect emissions from electricity.

4 Scope 3 emissions include emissions from business air travel, waste disposal and water consumption.

5 The data has been adjusted to further enhance the accuracy of its data on emissions last year.

6 Prior to 2025, we used an emission factor for paper waste (4.8 kg CO<sub>2</sub> equivalent per kg of paper waste) as stated in the Stock Exchange Appendix 2 - Reporting Guidance on Environmental KPIs. In January 2025, the relevant KPI section was repealed. We then changed to using the United Kingdom Government GHG Conversion Factors as proxy, referring to the Stock Exchange Implementation Guidance for Climate Disclosures under the Stock Exchange ESG reporting framework.

7 Petrol usage is now reported in liters instead of MWh to enhance reader comprehension. Conversion factors from the International Energy Agency's Energy Statistics Manual are applied, including 1,350 liters per tonnes and a gross calorific value of 47.1 GJ/T, with 1GJ equaling 277.778 kWh.

8 The conversion factor adopted is sourced from the 2022/2023 Annual Report of Water Supplies Department and 2022/2023 Sustainability Report of Drainage Services Department.

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

10 The water consumption data disclosed includes only the chiller water supply provided by our building management office.



## 8. Green and Sustainable Finance



In recent years, green and sustainable finance has emerged as a crucial factor in facilitating the transition to a low-carbon economy. Recognizing its significance, the Group, as a financial institution, continues to incorporate ESG considerations, including climate change matters, into its investment and financing activities. The Group is committed to enhancing its ESG-related business frameworks in accordance with the directives outlined in its parent company's "Comprehensive Action Plan to Enhance Green Financial Service Capabilities (2023-2025)". This initiative aims to implement new development concepts while capitalizing fully, accurately, and comprehensively on opportunities arising from green transformation and development. The Group intends to integrate ESG factors into all operational and management processes, thereby enhancing the quality of its green financial services, supporting the achievement of the "dual carbon" strategic goals, and promoting high-quality economic and social development.

The Group has established ESG policies and strategies across its diverse investment and financing operations, which include investment management, wealth management, and corporate finance services, including debt capital markets, equity capital markets, and sponsor and advisory services. Each business line has formulated its specific ESG policies that outline the criteria and screening principles for investment and financing activities. These policies facilitate the integration of ESG factors into due diligence, risk assessment, and decision-making processes, with the objective of increasing the proportion of green and sustainable investments and financing while avoiding controversial sectors with high ESG-related risks.

The Group has integrated ESG risk factors into its credit risk management model to enhance the control and management of ESG risks at the operational level. The Credit Risk Policy applies to all business types, including but not limited to lending, debt securities underwriting, derivatives trading, and other financing activities. The Risk Management Department is responsible for monitoring credit exposure and ensuring ongoing compliance with the policy by reviewing client exposure details during the credit approval process and evaluating relevant credit risk reports. Additionally, the Risk Management Department is responsible for escalating issues and exceptions to the Risk Committee of the Board, which reviews the total credit risk on a regular basis.

## 8. Green and Sustainable Finance

In 2024, the Group further updated the Credit Risk Policy to establish a framework for identifying transactions with high ESG risks, such as clients involved in mining, agriculture, coal, and oil and gas. A more comprehensive review of ESG risk through a quantitative scoring methodology has been proposed by the credit risk team, which includes a detailed outline of high ESG industries and a thorough procedure for the approval of ESG risk-related deals. This comprehensive process has been formally implemented into the Credit Risk Policy to guide our ESG screening and due diligence processes. Under current practices, the Risk Management Department, in collaboration with the relevant business departments, analyzes the ESG risk characteristics of clients operating in high ESG industries. This analysis will support the development of tailored due diligence and risk audit processes specifically designed to address the unique ESG risks of these clients.

The Group performs enhanced ESG due diligence processes to identify and mitigate potential risks associated with carbon-intensive industries or those lacking clear decarbonization plans. Additionally, climate-related financial disclosures aligned with the Task Force on Climate-related Financial Disclosures framework are integrated into assessment processes. The Risk Management Department also conducts negative news screening based on over a hundred ESG-related factors for larger proprietary investment and financing positions. The system is designed to identify potential risks that could impact the firm's investments, continuously monitoring various news sources and databases for adverse developments related to ESG issues. Daily reports are generated and sent through email to all risk management teams, providing them with timely insights into any negative news that may affect their portfolios. In cases where significant concerns are identified, follow-up actions would be initiated to further investigate the implications and determine appropriate risk mitigation strategies.

Each business head is responsible for overseeing ESG risk management, including climate-related risks, in their respective investment and financing activities, and is accountable to the CEO. Through this approach, the Group aims to support clients in their low-carbon transformations, thereby creating lasting value and fostering positive environmental and societal outcomes.

### 8.1. Responsible Investment Practice

The Group is committed to sustainability and integrates responsible investment practices into its portfolio management by integrating ESG considerations into the investment process, the Group seeks to enhance traditional financial analysis through a systematic evaluation of potential investments based on their ESG performance. This approach allows the Group to identify opportunities that are not only financially sound but also capable of promoting long-term, sustainable value creation for the organization, clients, and the community, thereby supporting its responsible investment objectives. In order to promote sustainable finance development in a systematic manner, the Company continues to strengthen its ESG governance structure, establish the three-level governance structure of "supervisory-management-execution level", and promote the integration of ESG and responsible investment activities thoroughly. Details are as follows.

8. Green and Sustainable Finance

Responsible Investment Governance Structure	Major Duties
Supervisory Level	
The Board	The highest governing body of the Group's ESG issues and is ultimately responsible for overseeing matters concerning ESG (including climate change issues) for the Group, covering matters (including but not limited to) risks, governance, policies objectives and strategies related to responsible investing.
ESG Committee	<p>Chaired by INED, members include persons in charge of relevant departments, including corporate governance, legal and compliance, risk management and human resources functions as well as asset management and investment businesses.</p> <p>Established by the Board as a functional committee. Responsible for (including but not limited to) formulating visions and strategies related to responsible investment, identifying relevant risks and opportunities, providing recommendations to the Board.</p>
Management Level	
Relevant Management Committees	Relevant Management Committees (including but not limited to Investment Committee) are responsible for discharging corresponding duties. The Investment Committee is authorized to oversee the Group's investment portfolios adhering to the Group's risk tolerance. Investment portfolios may include but not limited to assets in the primary and secondary markets.
Sustainable Finance Working Group	Bearing the managing responsibility for organizing, coordinating and facilitating the implementation. Members include heads of all business units, including asset management, investment, wealth management and corporate finance businesses. Responsible for implementing strategic deployments and decision-making requirements, integrating ESG factors into every aspect of the operations, and reporting to the ESG Committee.
Execution Level	
All Relevant Departments	Responsible for implementing the decisions and goals set by the supervisory and management levels, and performing daily sustainable finance-related work.

GTHT (including its subsidiary, Guotai Junan International) being a signatory to the PRI as an "investment manager" since 2023. This demonstrates our strong commitment to responsible investment, with the Group adhering to the six principles outlined by the PRI.

### The Six Principles of PRI:

- 1) Incorporating ESG issues into investment analysis and decision-making processes;
- 2) Being active owners and incorporate ESG issues into its ownership policies and practices;
- 3) Seeking appropriate disclosure on ESG issues by the entities in which the Group invests;
- 4) Promoting acceptance and implementation of the Principles within the investment industry;
- 5) Working together to enhance its effectiveness in implementing the Principles; and
- 6) Reporting on its activities and progress towards implementing the Principles.

The Group incorporates ESG considerations throughout the entire investment process across its various investment businesses, which may include but not limited to equity investments in listed companies and emerging markets, fixed-income investments for both corporate and non-corporate clients, as well as private equity and equity investment in alternative investment businesses. The Company has published its Responsible Investment Statement, which outlines the responsible investment strategies and applications of our investment business. It serves to enhance the understanding and implementation of responsible investment practices at large. The Responsible Investment Statement is available on the Company's website. In addition, relevant departments have also integrated ESG factors into their investment policies and assigned dedicated staff responsible for supporting ESG integration in their operations. All business units have dedicated staff responsible for ESG matters, who also participate in ESG working group meetings to ensure alignment and coordination across the Group.

### Key ESG Investment Practices

#### *ESG Screening and Integration*

The Group has developed and implemented comprehensive ESG screening and integration measures to improve the management of our investment portfolios. While positive screening may be applied in some cases to select projects or counterparties with satisfactory ESG performance for fund management businesses, the primary focus remains on negative ESG screening across all investments. This approach aims to avoid industries associated with higher ESG-related risks, such as higher levels of pollution and energy consumption. External ESG ratings, news and data are the primary tools used to assess ESG factors, while our internal ESG system and checklist are also utilized.

The general screening process begins with an initial screening phase, where proposed investments or trading proposals from trading desks undergo an initial ESG assessment based on established criteria and ESG scores. Investments that pass this initial phase would proceed to a detailed analysis, which involves a more thorough evaluation of the companies or issuers, taking into account additional qualitative ESG factors and future prospects. Following this analysis, investments or trading proposals that meet the ESG criteria would proceed to the approval process, where the Risk Management Department would oversee the approval, with the involvement of relevant management committees as appropriate.

To ensure effective screening, the Group follows a structured approach with specific criteria. A minimum ESG score threshold is set to determine a baseline for investment eligibility, ensuring that securities with ESG scores below this threshold are excluded from the portfolio. Additionally, sector exclusions are applied to remove sectors with inherently high ESG risks, such as tobacco and controversial weapons, from the investment universe. To further refine the screening process, controversy screening is conducted to exclude companies that fail to comply with the UN Global Compact principles or are involved in significant ESG controversies, including environmental disasters, human rights violations, or significant governance issues.

## 8. Green and Sustainable Finance

Where applicable, the ESG factors assessed in the Group's investment process include, but are not limited to:

1. Environmental factors including carbon footprint, waste management and resource use;
2. Social factors including labor practices, human rights, community engagement and supply chain management; and
3. Governance factors including board diversity and executive compensation transparency.

To specifically address the risks associated with both public and private funds managed by the Group's asset management business, the Group has adopted the Climate-related Risk Management Policy. This policy guides the incorporation of ESG factors into investment decisions for all public and private funds under their management. It applies to investments in both emerging and developed markets and covers all stages of the investment process, including preliminary screening, investment research, portfolio selection, and risk management. The investment teams are required to consider various ESG factors that impact their investments. The Climate-related Risk Management Policy is available on the website of the Company under the "ESG Info" section.

### *Ongoing monitoring*

Ongoing monitoring is a vital aspect of our ESG strategy. The Risk Management Department conducts regular monitoring to continuously assess the ESG performance of investments in the portfolio, updating ESG scores and reassessing eligibility periodically. Additionally, annual reviews are performed to evaluate the relevance and effectiveness of the ESG screening criteria and thresholds. Furthermore, the department provides regular reporting on the ESG risks and scores of the portfolio, detailing any changes made due to ESG considerations. On the other hand, respective investment teams would utilize external scoring to monitor each fund's overall ESG risk, including GHG emissions and carbon risks, as deemed necessary. They review these risks and alert the investment teams of any significant ESG risk downgrades or material declines in ESG performance, for further follow-up actions. In addition to external ESG ratings, external news, data and our internal ESG system and checklist are also utilized.

Different investment management businesses conduct regular ESG status reviews and assessments, including stressed situations and quantifiable matrix referencing market indices for individual investments, and ad-hoc evaluations when deemed necessary, tailored to their specific operations. Investment teams analyze how ESG factors could impact asset valuations, integrating these considerations into investment research and decision-making where relevant and material. This approach helps manage portfolio risks and identify potential opportunities. The results of the ESG may be discussed by the Investment Committee as part of its investment performance discussions.

In the portfolio review process, if investment management teams identify cases where investees fail to meet ESG expectations, they will carry out follow-up and escalation procedures if deemed necessary. For example, PIM has established a trigger and reporting mechanism for ESG risks related to portfolio holdings. As part of PIM's ESG risk monitoring process, the team monitors the ratings assigned by rating agencies to underlying positions, and a notification is triggered for any ratings that fall below a specific threshold. When the threshold is reached, PIM notifies the portfolio managers and the department head. Following this assessment, portfolio managers may adjust positions as deemed appropriate after discussing the situation with the department head. If an investment is deemed to have breached internal criteria and/or has negatively affected the overall portfolio ESG score, an exit strategy may be deliberated internally, taking into account valuation, the severity of the breach, investment outlook, and the execution timetable.

## 8. Green and Sustainable Finance

*Engagement with investees*

It is the Group's responsibility to protect our clients' interests and prioritize their needs above all else. As such, we closely monitor and engage with companies regularly to ensure their corporate behaviors align with current best practices. Through our stewardship engagements, the Group aims to encourage investee companies to adopt more sustainable business practices over time, ultimately promoting greater value creation. Examples of our engagement efforts include:

- 1) Thematic engagement – focusing on emerging ESG issues that the Group identify as significant
- 2) Event-driven engagement – focusing on contacting investees directly whenever a pertinent ESG concern arises, allowing communication to ensure that these challenges are recognized and prioritized. The Group would request investees to take appropriate actions to resolve these issues
- 3) Proxy-voting – focusing on communicating with the board and management regarding proxy voting motivations. The Group will object to management decisions if they entail adopting ESG-unfriendly strategies

However, we recognize that the extent of stewardship activities may vary depending on investment strategies. For example, strategies with shorter investment horizons or smaller-scale funds may have more limited capacity for direct engagement. In such cases, the approach to stewardship and proxy voting may be adjusted accordingly while maintaining the Group's overall ESG commitment.

In 2024, the Group enhanced the Asset Management Proxy Voting Policy to provide a systematic and effective approach to exercising proxy voting, aiming to protect the interests of our clients and shareholders while solving ESG issues where relevant. The policy clearly shows our stance and factors considered on various ESG matters, including directorship, executive compensation, distribution, auditors, and other corporate issues. The investment team within the Group's asset management division is primarily tasked with implementing this policy, while the compliance team periodically reviews its execution to ensure it aligns with our commitment to investor interests and ESG standards. The Asset Management Proxy Voting Policy is available on the website of the Company under the "ESG Info" section. In 2024, there were two engagement votes on ESG issues at general meetings of the selected investee companies.

**Private Equity Management**

For the private equity business, the Group has established the ESG Policy for Private Equity Management that guides the incorporation of ESG factors into the identification of potential investees, the investment decision-making process, and post-investment management. The private equity division consistently focuses on investing in high-quality, innovative, and sustainable companies, ensuring that ESG considerations are incorporated into our selection process. The Group's target sectors include AI, autonomous driving and freight, green and sustainable development, the internet, and biotechnology. Additionally, the policy emphasizes the importance of fostering ESG-related training for both our employees and the investees.



8. Green and Sustainable Finance

Further to general ESG screening practices, the private equity business employs a more comprehensive approach when screening potential investees, incorporating risk identification, thematic investing, and both negative and positive screening:

- **Risks Identification:** Incorporating ESG factors into investment analysis and decision-making processes to identify risks and opportunities
- **Thematic Investing:** Ensuring investments are aligned with sustainability themes, such as renewable energy or social equity
- **Negative Screening:** Avoiding high-risk industries like gambling and highly polluting or controversial sectors
- **Positive Screening:** Giving priority to sectors endorsed by ESG principles, such as electric vehicles, renewable energy, ESG big data analytics, plant-based or lab-grown meat, and low-carbon trading systems

Furthermore, considering the risk characteristics of private equity investments, the Private Equity Management Department has developed an ESG factor evaluation system for investment analysis and portfolio management, focusing on 13 key ESG issues covering environmental, social, and governance aspects. Utilizing this evaluation system, the department conducts thorough due diligence on target companies through quantitative analysis, factor assessments, and interviews to identify potential ESG risks. ESG considerations are integrated into the investment strategy, emphasizing sustainability metrics and long-term viability, while investment decisions incorporate industry-specific assessments to avoid enterprises with significant ESG risks.

ESG issues considered:





## 8. Green and Sustainable Finance

The Private Equity Management Department has also established a unique evaluation framework to measure the carbon footprint of projects, enabling effective climate risk management.

To effectively oversee the performance of invested companies in the Group's private equity portfolio, its nominated directors should diligently assess ESG performance during board deliberations where it holds board seats. In cases where the Group does not have board representation, the Group utilizes its observer seats or publicly available information to monitor investee companies for significant ESG risks. If these risks impact on the value and performance of the investee companies, the Group should promptly escalate such matters to the Investment Committee for informed decision-making.

Moreover, to enhance employees' understanding of ESG principles, the Group encourages their participation in ESG-related forums, the review of past business cases, and discussions on sound judgment criteria. The Group also promotes the adoption of core ESG management principles among its invested companies, inviting them to engage in ESG-themed events organized by the Group. Specifically, for the ESG due diligence staff, the Group regularly organizes various training sessions to keep employees informed about the latest ESG trends and requirements.

### 8.2. ESG Integration into Advisory and Financial Services

The Group recognizes the importance of capital in fostering the growth of the low-carbon economy. Through corporate finance businesses, the Group assists clients in securing essential capital through diverse channels to further develop their sustainable objectives.

#### ESG Integration in Financing Solutions

##### *Direct Financing*

In its commitment to integrating ESG principles into direct financing, the Group has further updated the Credit Risk Policy to include an internal ESG scoring and escalation process for direct financing businesses in 2024. The business departments, being the frontline, are responsible for implementing ESG assessments during the review and approval process. This includes conducting due diligence on the obligor and/or guarantor, regularly reviewing ESG risks, and escalating cases to the relevant business committees as necessary. Should any material risk factors be identified, the frontline should promptly notify the Risk Management Department. The frontline and the Risk Management Department should then collaborate to develop necessary risk mitigation measures.

The ESG risk assessment is critical to identifying anomalies and measuring the underlying company's exposure to ESG risks. The Risk Management Department has established an internal guideline titled "Industries with High ESG Risk", which defines sectors that pose significant risks to the environment, biodiversity, and climate change. If the obligor or guarantor operates within these high-risk industries, the frontline should employ a quantitative ESG scoring methodology to evaluate overall performance, considering factors such as climate change, environmental sustainability, human capital, labor welfare, social responsibility, information security, corporate governance, shareholder rights, and information transparency.

For obligors and guarantors in high-risk industries, the frontline conducts an ESG scoring assessment using the designated tools or scoring systems where available. A score below a determined threshold indicates high ESG risk and necessitates escalation to the relevant business committee for review and approval. Enhanced due diligence is required for clients with scores below this threshold, which may include detailed questionnaires and third-party reports. The results of this due diligence process, along with proposed ESG risk mitigation factors, are presented to the relevant business committees to determine the viability of proceeding with the transaction. In cases where the industry of the underlying company does not fall under the high ESG risk guideline or where the overall ESG score exceeds the threshold, the frontline may still escalate the case to the relevant business committees if deemed necessary.

## 8. Green and Sustainable Finance

### *Margin Financing*

In brokerage business, the Risk Management Department has integrated ESG factors into the assessment criteria for margin financing. When determining the lending ratio for each stock, these factors are considered alongside other critical elements such as market capitalization, liquidity, volatility, and company performance. This holistic approach ensures that ESG risks are factored into lending decisions.

To maintain effective risk control, the Risk Management Department routinely reviews and adjusts stock lending ratios and client borrowing limits. This process allows for timely identification of risks and ensures that appropriate measures are in place. Furthermore, the team actively modifies securities collateral ratios based on market volatility to mitigate systemic risk within the securities market. The margin risk team incorporates ESG factors and ratings into these assessments, ensuring that significant ESG risks are not overlooked in margin financing activities.

### *Debt Capital Market*

The Group's debt capital market business provides a full range of customized services from project origination, execution, and syndication to sales for corporate clients in both the Mainland China and Hong Kong. In 2023, the Group strengthened its commitment to ESG principles by updating the "Statement on ESG Integration in Debt Capital Market Business", which further clarifies its ESG strategy within this sector.

Prior to initiating each project, the responsible team submits a debt capital market transaction approval, including the ESG valuation, through the internal system. In the issuance plan, the team clearly outlines the Group's potential capacity for rendering ESG bond services.

To ensure a comprehensive understanding of the issuer, the team incorporates ESG-related information into the issuer's background assessment. This may include details about previous ESG initiatives, past issuances of ESG bonds, the presence of an ESG committee, and relevant ESG reports. Additionally, the team relies on the second party opinions, certificates, and verification or assurance documents provided by third parties. This information is primarily gathered from public sources, such as company announcements for listed firms, rating reports, and online inquiries.

The Group recognizes that ESG bonds are a specific type of offshore bonds. Throughout the issuance process for ESG bonds, the Group strictly complies with the established procedures for overseas bond issuance, ensuring compliance and integrity at every step.

### *Equity Capital Market*

The Group underwrites IPO projects in the stock markets in Hong Kong and other jurisdictions as part of an underwriting syndicate and facilitates secondary market share issuances as a placement agent. In 2023, the Group updated the "Statement on ESG Integration in Equity Capital Market Business" to further clarify its ESG strategy for the equity capital market.

In the preliminary client searching phase, the Group carefully considers clients' ESG management capabilities, assessing their efforts and contributions in this area while actively promoting the listing of green industry enterprises in Hong Kong.

In the client acceptance phase, the underwriting team presents an overview of the client's industry to the approval committee, reporting on whether the client qualifies as a green enterprise based on its ESG risk profile and the allocation of raised funds towards energy-efficient projects. The approval committee should use this assessment to determine whether to proceed with the project, allowing the underwriting team to sign the sponsorship agreement only upon approval.

## 8. Green and Sustainable Finance

Once a project is approved, during the execution phase, the Group integrates ESG risk assessments into its due diligence procedures. This process ensures that clients establish clear metrics and goals, implement effective risk management strategies, and continuously monitor and enhance their ESG performance. The Group conducts comprehensive ESG risk and opportunity assessments of clients' businesses and value chains, identifying significant ESG issues for both enterprises and stakeholders. Based on this analysis, the Group advises clients to develop clear ESG strategies that take into account stakeholder needs and expectations. Furthermore, the Group requires IPO projects to engage independent third-party ESG consultants to quantify ESG metrics for inclusion in the prospectus and for regular disclosures. The ESG due diligence covers nine key topics across the ESG domains, including pollution management, resource conservation, employee welfare, and corporate governance.

The due diligence process involves the evaluation of several critical aspects:

- **Environmental and Climate Change Considerations:** The Group assesses the client's environmental friendliness through patent reviews, environmental impact assessments, and supplier interviews. This evaluation determines whether the company's business development aligns with low-carbon and environmentally sustainable principles, improves energy efficiency, and avoids the use of heavily polluting materials.
- **Social Considerations:** The Group examines whether the company provides adequate insurance for employees, effectively manages health and safety incidents, and implements policies for workplace safety and health monitoring. An analysis of employee demographics is conducted to ensure robust management of safety, health, diversity, and inclusion.
- **Corporate Governance Considerations:** The Group reviews the charters and policies of various committees, internal control reports, and board diversity to verify compliance with sustainable development requirements established by regulatory authorities.

For ESG assessments of unlisted clients, reference information from, such as, the Sustainability Accounting Standards Board (SASB) Materiality Map and the MSCI ESG Industry Materiality Map are utilized. One of the criteria for screening and evaluating underlying stock targets is to assess whether the issuer seeks economic benefits while considering ESG factors. Companies that emphasize ESG initiatives typically achieve better resource utilization and adopt innovative management approaches. As a result, companies with strong ESG performance are prioritized as project participants.

For ESG assessments of listed clients, publicly available resources from reputable ESG rating agencies are utilized. Additionally, the annual ESG reports and ratings of listed clients are reviewed to ensure they align with ESG standards for sustainable business development. The Group actively assesses the needs of companies looking to raise funds in the capital market, focusing on their ESG commitments and business development.

To enhance transparency, the Group complies with the Stock Exchange's strengthened disclosure requirements regarding ESG information, including climate-related data reporting with reference to the IFRS S2. In sponsor approval meetings for listing applications, the underwriting team presents its due diligence findings, including any identified ESG issues, to ensure the approval committee can assess risks before proceeding with the application.

Ongoing risk management is maintained through continuous monitoring of ESG risks and the collection of relevant information throughout the project's lifecycle, enabling the Group to identify and address potential ESG risk exposures promptly. Additionally, the Group encourages clients to develop and disclose ESG reports during their IPO processes, providing investors and stakeholders with detailed insights into their ESG performance.

## 8. Green and Sustainable Finance

### ESG Integration in Other Financial Services

In line with the Group's commitment to integrating ESG into operations, it has undertaken the following service offerings:

#### *Wealth Management*

To achieve the Group's objectives and effectively balance financial returns with sustainable investment opportunities, one of the key initiatives in wealth management is to issue and promote green and sustainable bonds. The proceeds from these bonds are specifically allocated to projects that align with critical social and environmental goals, such as energy conservation, climate change mitigation, and biodiversity preservation. The Group is developing an in-house product library that should compile and analyze both forward-looking and historical risks and return characteristics of these portfolios. This enables us to provide investors with a holistic balance sheet solution that delivers returns comparable to traditional strategic asset allocations.

Within the current framework for Wealth Management's Mutual Fund and Private Fund offerings, the Group has established an ESG Fund Category. Throughout the fund recommendation process, the Group actively promotes the ESG principles of low-carbon investing and community support to sales team, ensuring that these concepts resonate with clients and are effectively communicated to end investors. The fund platform offers a selection of 87 ESG funds for clients to consider, including 26 funds with specific themes such as global climate change, water resources, carbon reduction, energy transformation, renewable energy, low-carbon transportation systems, circular economy (recycling), elderly care, healthcare, no poverty, zero hunger, food security (enhancing agricultural practices, natural resource efficiency and food quality), cyber security (aims to achieve reduction in GHG emissions) and AI (aims to achieve reduction in GHG emissions). Bloomberg's ratings for the 87 ESG funds reveal an average score of 81 points for the environmental aspect (E), 76 points for the social aspect (S) and 72 points for governance (G), indicating compliance with ESG standards.

#### *Green Bond Underwriting Service and Post-issuance ESG advisory*

The Group recognizes the importance of ensuring that the use of proceeds aligns with specific requirements, including projects related to green building and sustainable water and wastewater management. In ESG bond issuance, the team serves as an ESG advisor and engages with clients to enhance their understanding of ESG bonds and assess the feasibility of issuing them.

The Group assists the issuers in selecting appropriate green or social projects, preparing necessary documentation, and liaising with external reviewers for accreditation. For example, the Group assists them in obtaining second party opinions, certification, or verification/assurance from reputable third parties. To further support the clients, the Group continuously monitors the risks and policy changes related to ESG bonds, ensuring better financing channels for issuers.

#### *Provide ESG Education to Issuers and Investors*

The Group provides sustainable finance training and advisory services to both issuers and investors, helping to enhance their understanding of ESG principles. For example, the Group assists clients in identifying the sustainable economic development highlights and ESG elements within their businesses, thereby strengthening their impact on sustainable development and attracting more sustainability-focused investors. Additionally, the Group actively encourages and supports companies in issuing ESG-related debt securities and developing issuance plans for eligible issuers. To meet the green investment needs of international investors, the Group offers a wealth of high-quality green bond assets.

## 8. Green and Sustainable Finance

*Diversify ESG Products and Expand Industry Coverage*

The Group actively explores and introduces new ESG products, such as green bonds, social bonds, blue bonds and more, to further cultivate market potential. The Group maintains a diversified portfolio of ESG bond issuers that include traditional sectors like utilities and real estate, as well as emerging sectors such as AI robotics and carbon capture, utilisation and storage. Looking ahead, the Group aims to identify new issuers across a broader range of sectors.

As a member of the Hong Kong Green Finance Association, the Group is committed to actively participating in discussions on green bonds and product innovation with other professional institutions. The Group continuously monitors and adapts business development strategies to ensure alignment with evolving market dynamics.

*Cultivate Green Workforce*

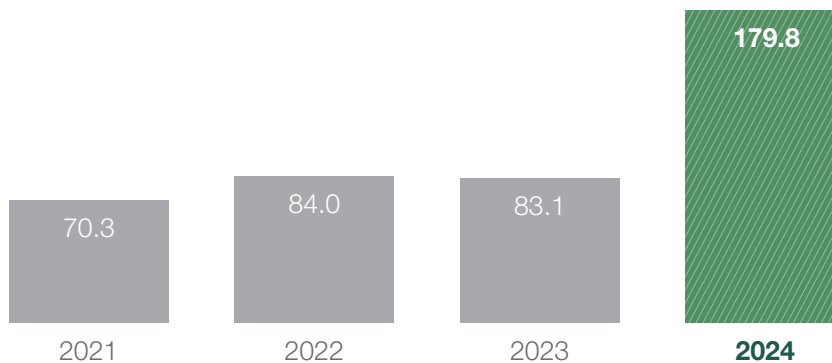
To improve client services, the Group organizes internal training sessions on ESG bonds for our coverage, execution, and sales teams. The Group also stays updated on green finance policies and regulations, maintains long-term partnerships with relevant institutions, and encourages team participation in green finance activities. These initiatives strengthen its engagement and competitiveness in the green and sustainable finance sector.

### 8.3. Green and Sustainable Finance Performance

The Group has consistently committed to supporting the real economy through financial services while facilitating the green transformation of its corporate clients. In 2024, the Group successfully completed 90 sustainable finance projects, encompassing green bonds, sustainable bonds, and IPO projects in green and sustainable industries, totaling HK\$179.8 billion in issuance. Additionally, the private equity sector remained highly engaged in ESG and sustainable industries, with 51% of its investments focused on ESG-related sectors.

	2024 (HK\$ billion)
Total AUM that employs (1) integration of ESG issues, (2) sustainability-themed investing, and (3) screening	55.4
Total AUM classified as Green or Sustainable Investments (includes active and passive investments)	1.48

**Total Issuance Scale of Sustainable Finance Business**  
(HK\$ billion)



Refers to corporate finance services under debt capital market and equity capital market business

## 8. Green and Sustainable Finance

### 8.4. Case Study

During the year, the Company has engaged in numerous notable green and sustainable projects:

#### Green and Sustainable Projects – Promoting Sustainable Development through Green Finance

##### Sustainability-Linked Loan

In 2024, Guotai Junan International completed Hong Kong and the Mainland China's first multi-currency sustainability-linked loan in the securities brokerage industry with OCBC Bank (Hong Kong) Limited. As the sole lender and sustainability advisor, OCBC Hong Kong facilitated a revolving credit facility of HK\$500 million (or its US\$/RMB equivalent), tied to a set of predetermined ESG targets of Guotai Junan International. These targets include enhancing fundraising efforts for environmentally impactful projects and increasing ESG-themed training and development initiatives for employees, addressing critical ESG challenges within the sector.

The performance of these metrics will be assessed annually by an external and independent reviewer, ensuring compliance with the internationally recognized Sustainability-Linked Loan Principles. This initiative not only underscores the commitment of both institutions to sustainable finance but also sets a precedent for future initiatives in promoting responsible business practices within the securities brokerage industry.



##### Green Deposit

In 2024, Guotai Junan International successfully completed a green deposit transaction with Chong Hing Bank Limited. The funds from this deposit would be allocated to support a range of projects focused on the development of green buildings, renewable energy, energy efficiency, pollution prevention and control, and clean transportation. This inaugural green deposit project aims to encourage collaboration across various sectors of society to effectively tackle climate and environmental challenges, promoting a transition towards a low-carbon and sustainable economy.

The green deposit has received independent limited assurance verification from the Hong Kong Quality Assurance Agency, ensuring that the deposited funds are utilized for eligible green projects in alignment with Chong Hing Bank's "Green, Social and Sustainability Deposit Framework".



## 8. Green and Sustainable Finance

**Green and Sustainable Projects – Equity Capital Market**

As the lead sponsor, sponsor-overall coordinators, joint global coordinators, joint bookrunners, and joint lead managers, the Group successfully assisted Jiangsu Lopal Tech. Co., Ltd. (2465.HK), the fourth largest manufacturer of lithium iron phosphate cathode materials in China and globally, in completing its A+H share listing on the Stock Exchange, raising approximately HK\$550 million. Jiangsu Lopal Tech. is an international enterprise group focused on green new energy core materials as its main business segment, committed to implementing a green development strategy through continuous product innovation.

As the lead overall coordinator and placing agent, the Group successfully assisted China Risun Group Limited (1907.HK) in completing a top up placing of existing shares and subscription of shares in 2024, raising approximately HK\$156 million. China Risun Group Limited is a large enterprise group that synergizes the development of various business segments, including coke, chemicals, new energy, and new materials. The Group focuses on low-carbon development, actively promoting green operations throughout the entire lifecycle, advancing green low-carbon transformation and upgrading, as well as carbon capture, utilization, and storage, alongside low-carbon operational management.

# About the Report

This ESG report provides stakeholders with information regarding the efforts made by the Group to improve its management and performance on ESG issues and advance to a more sustainable future. Both the ESG Committee and the Board have reviewed and approved this report. This report is available on the websites of the Company and the Stock Exchange.

## Reporting Basis and Principles

This report has fully complied with the mandatory disclosure requirements and the “comply or explain” provisions of the ESG Reporting Guide contained in Appendix C2 to the Listing Rules and based on four fundamental reporting principles set out in the ESG Reporting Guide as follows:

Reporting Principles	Application in the Preparation of the Report
Materiality	The Group conducted a comprehensive stakeholder survey in 2024 to identify the most significant ESG issues. The survey engaged both internal and external stakeholders and the issues of the most significance to both the Group’s business and stakeholders have been identified as material ESG issues. The Group focuses on these material issues in this report and ensures sufficient disclosure of the related information.
Quantitative	The Group discloses KPIs in quantitative terms whenever possible and clarifies the standards, methodologies, assumptions, and/or calculation tools used, and source of conversion factors used in this report for a thorough evaluation of the effectiveness of its ESG policies and management.
Balance	This report aims to provide stakeholders with an unbiased picture of the Group’s sustainability performance by sticking to a high standard of integrity and transparency.
Consistency	Unless stated otherwise, the methods and KPIs used, or any other relevant factors in this report remain consistent with the historical disclosures to allow a meaningful comparison of the Group’s ESG performance over time.

Besides, IFRS S2, UNSDGs, GHG Protocol, and the ten principles of the UN Global Compact have also been referred to during the preparation of this report.

## Reporting Scope and Period

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

The Reporting Period is from 1 January 2024 to 31 December 2024 and focuses on the Group’s core businesses in wealth management, institutional investor services, corporate financial services and investment management, where the Company has operational control. In order to enhance the integrity of this report, certain information may be disclosed up to 26 March 2025, being the date of this ESG report, as appropriate.

## Feedback

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

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

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

Mandatory Disclosure Requirements		
Item	Description	Relevant Section and Remarks
Governance Structure	A statement from the board containing the following elements:	5.2 ESG Governance Structure
	(i) a disclosure of the board's oversight of ESG issues;	
	(ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and	
	(iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	
Reporting Principles	<p>A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:</p> <p>Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement</p> <p>Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.</p> <p>Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.</p>	Reporting Basis and Principles
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	Reporting Scope and Period
"Comply or explain" Provisions		
General Disclosures and KPIs	Description	Relevant Section and Remarks
A. Environment		
Aspect A1: Emissions		
General Disclosure	Information on:	7.1. Environmental Targets 7.3. Green Office and Operation 7.4. Environmental Performance Table
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer	
	relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	
KPI A1.1	The types of emissions and respective emissions data.	
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	

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

“Comply or explain” Provisions		
General Disclosures and KPIs	Description	Relevant Section and Remarks
A. Environment		
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	7.1. Environmental Targets 7.3. Green Office and Operation 7.4. Environmental Performance Table
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	
KPI A2.3	Description of energy use target(s) set and steps taken to achieve them.	
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	7.3 Green Office and Operation
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	7.2 Tackling Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them	
Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	6.2.1 Diversity, Equity, and Inclusion
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to providing a safe working environment and protecting employees from occupational hazards.	6.2.3 Employee Health and Wellbeing
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	
KPI B2.2	Lost days due to work injury.	
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	

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

“Comply or explain” Provisions		
General Disclosures and KPIs	Description	Relevant Section and Remarks
Social		
Employment and Labour Practices		
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities.	6.2.4 Training and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. management, middle management).	
KPI B3.2	The average training hours completed per employee by gender and employee category.	
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	6.2.2 Employment Management
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	6.3 Sustainable Supply Chain
KPI B5.1	Number of suppliers by geographical region.	
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	6.1.1 Digital Transformation to Safeguard Services and Products Responsibility 6.1.2 Services and Products Integrity 6.1.4 Customer Relationship Management Due to the Group’s business nature, issues related to products sold or shipped subject to recalls for safety and health reasons are not applicable.
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	
KPI B6.4	Description of quality assurance process and recall procedures.	
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	

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

“Comply or explain” Provisions		
General Disclosures and KPIs	Description	Relevant Section and Remarks
Social		
Employment and Labour Practices		
Aspect B7: Anti-corruption		
General Disclosure	Information on:	5.4 Business Ethics  No concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period.
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer	
	relating to bribery, extortion, fraud and money laundering.	
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	
KPI B7.3	Description of anti-corruption training provide to directors and staff.	
Community		
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	6.4 Community Investment and Engagement
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	



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

Principles	Relevant Section
<b>Human Rights</b>	
1. Business should support and respect the protection of internationally proclaimed human rights; and	6.2.2 Employment Management 6.2.3 Employee Health and Wellbeing
2. make sure that they are not complicit in human rights abuses.	6.3 Sustainable Supply Chain 6.4 Community Investment and Engagement
<b>Labour</b>	
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	6.2.2 Employment Management
4. the elimination of all forms of forced and compulsory labour;	
5. the effective abolition of child labour; and	
6. the elimination of discrimination in respect of employment and occupation.	
<b>Environment</b>	
7. Business should support a precautionary approach to environmental challenges;	7.2 Tackling Climate Change 7.3 Green Office and Operation
8. undertake initiatives to promote greater environmental responsibility; and	
9. encourage the development and diffusion of environmentally friendly technologies.	
<b>Anti-corruption</b>	
10. Businesses should work against corruption in all its forms, including extortion and bribery.	5.4 Business Ethics

# Glossary

In this report, unless the context requires otherwise, the following expressions have the following meanings:

**AI** • artificial intelligence

**AML** • anti-money laundering

**BCP(s)** • business continuity plan

**Board** • the board of directors of the Company

**CCO** • the chief compliance officer of the Group

**CDD** • customer due diligence

**CEO** • the chief executive officer of the Group

**CFT** • counter-financing of terrorism

**Company** or **Guotai Junan International** • Guotai Junan International Holdings Limited, incorporated in Hong Kong with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 1788.HK)

**Company Secretary** • the company secretary of the Company

**CRO** • the chief risk officer of the Group

**Director(s)** • the director(s) of the Company

**ESG** • environmental, social and governance

**GHG** • greenhouse gas

**Group** • the Company together with its subsidiaries from time to time

**GTHT** or **parent company** • Guotai Haitong Securities Co., Ltd. (formerly known as Guotai Junan Securities Co., Ltd.), a joint stock limited company incorporated in the PRC with limited liability, whose A-shares are listed on the Shanghai Stock Exchange (stock code: 601211) and H-shares are listed on the Main Board of the Stock Exchange (stock code: 2611), and the ultimate controlling shareholder of the Company

**Hong Kong** • The Hong Kong Special Administrative Region of the PRC

**HK\$** • Hong Kong dollars, the lawful currency of Hong Kong

**IFRS S2** • International Financial Reporting Standards S2 – Climate-related Disclosures

**INED** • Independent Non-executive Director

**IPO(s)** • initial public offering(s)

**IPCC** • Intergovernmental Panel on Climate Change

**IT** • information technology

**KPI(s)** • key performance indicator

**LED** • light-emitting diode

**Listing Rules** • the Rules Governing the Listing of Securities on the Stock Exchange

**Macao** • The Special Administrative Region of Macao of the PRC

**Mainland China** • the PRC, for the purpose of this report, does not include Hong Kong, Macao and Taiwan

**NGFS** • Network for Central Banks and Supervisors for Greening the Financial System

**PIM** • principal investment management team

**PRC** or **China** • The People's Republic of China

**PRI** • The Principles for Responsible Investment

**RCP** • Representative Concentration Pathway

**Reporting Period** • for the year ended 31 December 2024

**RMB** • Renminbi, the lawful currency of the PRC

**SEN** • special educational needs

**senior management** • has the same meaning as defined in the Listing Rules

**SFC** • the Securities and Futures Commission

**SFO** • the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)

**SSP** • Shared Socioeconomic Pathways

**Stock Exchange** • The Stock Exchange of Hong Kong Limited

**UN Global Compact** • The United Nations Global Compact

**UNSDGs** • The United Nations Sustainable Development Goals

**US\$** • United States Dollars, being the lawful currency of the US

**VDI** • virtual desktop infrastructure

**VPN(s)** • virtual private network(s)

**VM** • virtual machine

**%** • per cent



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