

ESG



2022

**Environmental, Social
and Governance Report**



国元证券股份有限公司
GUOYUAN SECURITIES CO., LTD.

CONTENTS

About the report	01
Message from the Chairman	03
Annual environmental, social and governance performance of Guoyuan in 2022	05

Learn about Guoyuan Securities	07
Corporate Governance	09

Looking forward to 2023	85
Honors and certificates	87
Verification statement	89
Index sheet	92
Reader Feedbacks	99

ESG

Creating A Positive Financial Environmental Impact 25

Clean and compliant operation	27
Information security and privacy protection	34
Optimizing customer service	35
Fintech empowerment	38
ESG research achievements	42

Creating shared value with people-centered principle 53

Commitment to diversity	55
Commitment to employee development	58
Corporate welfare for happy workplace	60

Green operation and ecological civilization 71

Energy management	73
Water stewardship	74
Green operations	76
Ecological civilization construction	77

Spreading influence and practicing responsible investment 43

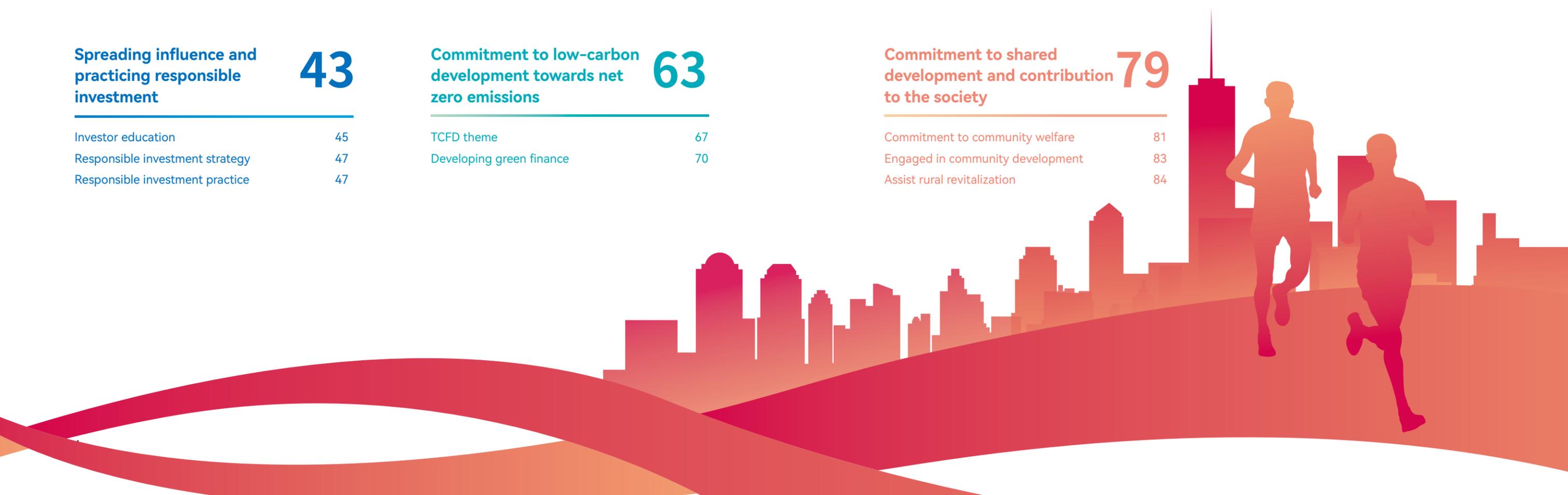
Investor education	45
Responsible investment strategy	47
Responsible investment practice	47

Commitment to low-carbon development towards net zero emissions 63

TCFD theme	67
Developing green finance	70

Commitment to shared development and contribution to the society 79

Commitment to community welfare	81
Engaged in community development	83
Assist rural revitalization	84



ABOUT THE REPORT

2022 Annual Environmental, Social and Governance (ESG) Report of Guoyuan Securities Co., Ltd. (hereinafter referred to as "ESG report" or "this report") is the 15th report issued by Guoyuan Securities Co., Ltd. (hereinafter referred to as "we" or "the company"), which is designed to present to our stakeholders the management methods and performance of Guoyuan Securities, branches, business departments and subsidiaries related to environment, society and governance in the year of 2022.

Scope of the report

Timeline of the report: the timeline of this report is from Jan 1, 2022 to Dec 31, 2022. The report covers partial disclosure of data for previous years and 2023.

Geographical scope of the report: the environmental, social and governance data disclosed in this report covers Guoyuan Securities Co., Ltd. and its wholly-owned and controlled subsidiaries, as listed below:

Company name	Address
Guoyuan Securities Co., Ltd. (Guoyuan Securities)	No.18 Meishan Road, Hefei City, Anhui Province
Guoyuan International Holdings Limited (Guoyuan International)	17/F, Three Exchange Square, 8 Connaught Place, Central, Hong Kong
Guoyuan Equity Investment Co., Ltd. (Guoyuan Equity)	Area B, 3F, No.1, Lane 1199 of Minsheng Road, China (Shanghai) Pilot Free Trade Zone, Shanghai
Guoyuan Innovation Investment Co., Ltd. (Guoyuan Innovation)	Room 310, 3/F, Baohe District Organ Logistics Service Center, No.118 Baohe Avenue, Baohe District, Hefei City, Anhui Province
Guoyuan Futures Co., Ltd. (Guoyuan Futures)	Room 1901, 19/F, Building 1, No. 46 Dongzhimenwai Street, Dongcheng District, Beijing

Unless otherwise specified, this report covers the overall data of the headquarters, branches, business departments of Guoyuan Securities Co., Ltd. and the subsidiaries listed above, and some data that fail to cover the overall scope will be indicated and specified in the main body of this report. Changsheng Fund Management Co., Ltd., Anhui Anyuan Investment Fund Co., Ltd. and Anhui Equity Service Group Co., Ltd. are subsidiaries of Guoyuan Securities, with corporate shareholding below 50%, and the above-mentioned participating subsidiaries are not included in the disclosure of this report.

Report release cycle

The report is published on an annual basis, in line with the release cycle of company financial annual report.

Data sources

The financial data in this report are quoted from the 2022 Annual Report of Guoyuan Securities Co., Ltd. If there is any discrepancy between the financial data disclosed in this report and those in the annual report, the latter shall prevail. Other data and cases are provided by the functions, branches, business departments and subsidiaries of the company. The amounts shown in this report are presented in RMB unless otherwise stated.

This report was deliberated and approved by the 5th Session of the 10th Board of Directors of Guoyuan Securities held on March 25, 2023. The Board of Directors and all directors of the company warrant that the contents of the report do not contain any false statements, misleading statements or substantial omissions. The company is responsible for the truthfulness, accuracy and completeness of the report contents.

Preparation basis of this report

This report complies with the preparation or disclosure requirements of the following standards/guidelines/norms:

- Sustainability Reporting Standards Version 2021 of Global Reporting Initiative (hereinafter referred to as GRI);
 - Sustainability Accounting Standards for the Investment Banking and Brokerage Industry (SASB Standards) issued by the Sustainability Accounting Standards Board (SASB);
 - Recommendation Report of Task Force on Climate-related Financial Disclosures (TCFD);
 - Guidelines on the Content and Format of Annual Reports of Securities Companies and Guidelines No. 2 on the Content and Format of Information Disclosure by Companies that Issue Public Securities - Content and Format of Annual Reports (Revised in 2021) of China Securities Regulatory Commission;
 - Guidelines on Social Responsibility of Listed Companies on Shenzhen Stock Exchange, Guidelines on Self-regulation of Listed Companies on Shenzhen Stock Exchange No. 1 - Standardized Operation of Listed Companies on the Main Board, Guidelines on Self-regulation of Listed Companies on Shenzhen Stock Exchange No. 1 - Business Processing, etc.;
 - Ten Principles of the United Nations Global Compact;
- Please refer to the index sheet in the appendix for specific information.
Please refer to the body part of the report for response to the United Nations Sustainable Development Goals (UN SDGs 2030).

External certification

The report has been certified by TÜV SÜD Certification and Testing (China) Co., Ltd., an independent third party, and awarded an opinion of "limited assurance". Please find the certification report as attached.

Release of the report

This report is released in both printed version and online electronic version in simplified Chinese. The printed version of this report is available at: Office of the Board of Directors of Guoyuan Securities, No. 18 Meishan Road, Hefei City, Anhui Province, China. For electronic version of this report, please visit: Guoyuan Securities website: <http://www.gyzq.com.cn> CNINFO: <http://www.cninfo.com.cn>

Contact information

To obtain a printed copy of the report, or if you have any comments or suggestions, please contact: Guoyuan Securities Co., Ltd.
Contact: Liu Jinfeng, Yang Lu
Tel: 0551-62207968 62207323
Fax: 0551-62207322
Email: dshbgs@gyzq.com.cn

MESSAGE FROM THE CHAIRMAN



Secretary of the Party Committee, Chairman of the Board, Director of the Executive Committee, and President of Guoyuan Securities Co., Ltd.

KEEP THE MOMENTUM FOR A NEW CHAPTER, START A NEW JOURNEY IN SOLIDARITY

The report of the 20th Party Congress states: High-quality development is the primary task of building a modern socialist country in a comprehensive manner. In 2022, in face of accelerated world changes and domestic economic downturn, Guoyuan Securities focused on fully, accurately and comprehensively implemented the new development concept, highlighted the efforts on the real economy, accelerated its integration into the new development pattern with the domestic grand cycle as the core and the dual cycles of domestic and international development, and achieved substantial results in serving the real economy, deepening

scientific and technological innovation, strengthening the foundation of risk control, fulfilling social responsibility, and promoting green finance.

In the past year, we stabilized corporate business performance and stayed committed to corporate development. Focusing on the strategic goals of the "14th Five-Year Plan" and focusing on the three elements of "talent, assets, and customers", led by investment behavior, focusing on the upstream and downstream of the industry, actively promoting the transformation of wealth management, creating an

institutional business coordination system, and making steady progress in operation and management, Stable and strengthened. As of the end of 2022, total assets of the company had reached 129.481 billion and net assets amounted to 32.957 billion, with business income at 5.341 billion for the year. The company maintained and boosted good momentum of all-round comprehensive development through security fund, fixed income, bond, over-the-counter, futures and alternative investment businesses.

In the past year, we stayed true to our mission by serving the real economy continuously. We completed 8 IPOs, 7 refinancings, 2 single merger and reorganization, 41 bonds and 37 USD bonds. We insisted on professional empowerment, capital empowerment, service empowerment and industry empowerment, and have achieved the remarkable results in sponsoring over half of the listed companies in Anhui A-shares, Science and Technology Innovation Board, Beijing and state-owned enterprises over the past two years, and providing over half of the capital market services for listed companies in Anhui.

In the past year, we stayed committed to opening a new journey by deepening scientific and technological innovation. We strengthened the top-level design of digital transformation, reshaped the business development mode and management mode by means of digitalization, and speeded up business innovation, product design, service supply and operation governance, etc., in order to make digitalization a core driving force for high-quality development of the company. We have significantly increased our investment in information technology, established advanced new digital infrastructure and sensitive research and development system, carried out five financial technology innovation research projects, and built 31 wealth management digitization projects.

In the past year, we stayed committed to building defense line by strengthening the foundation of risk control. In line with the concept of "risk control is the lifeline of the company", we ensured complete and clear four-layer structure and three lines of defense of comprehensive risk management, and promoted all risk management, such as risk assessment, measurement, monitoring and reporting. We also strengthened the quality control management of investment banking and bond business, enhanced the process control of investment projects, and ensured no major risk hazards in underwriting type projects and investment projects. Through these efforts, we received an A rating in the industry's first investment banking practice quality assessment, and the practice quality ranked first in the industry.

In the past year, we stayed committed to contributing to the society by fulfilling social responsibility. We issued "22 Suxong Bond", "22 Jianhu Bond", "22 Jiangsu Bank Three Agriculture Bond" and "22 Zongyang Bond", raising a total capital of 3.05 billion, contributing to rural revitalization and serving agriculture, rural areas and rural people with financial weapons. We donated 14.32 million to support the construction of a beautiful countryside, medical care, education and other causes, continuously enhancing the results of poverty alleviation, rural revitalization, and rural welfare.

In this year, we further promoted the green financial strategy and green development as always. We actively expanded green equity financing and helped two environmental protection-oriented enterprises with low-carbon footprint achieve IPO, raising a total of 1.764 billion. We followed the six responsible investment principles of UN PRI, incorporated ESG factors into the decision-making process of fixed income investment, equity investment, equity pledge and contract repurchase, etc. The scale of green bond investment in fixed income business increased by 171.61% year-on-year, and the position ratio of carbon neutrality class stocks in equity investment reached 34%.

In this year, we were widely recognized both by the industry and beyond, and the results of our continuous cultivation in ESG management gradually set in. In April, MSCI ESG rating of the company was upgraded by two levels to "BB"; in August, the company received an "AA" rating from the Shenzhen Stock Exchange; in September, the company was included as a constituent of the Hang Seng A-share Sustainable Enterprise Benchmark Index. The company ranked 13th in the evaluation of over 800 A-share listed companies shortlisted in the FTSE Russell ESG rating.

The time has come for us to stride forward with full speed. The year 2023 is the opening year of the comprehensive implementation of the results of the 20th Party Congress and the key year for the implementation of the 14th Five-Year Plan of the company. We will continue to be guided by the new development concept, prioritize high-quality development as our primary task, keep up the momentum, and concentrate our efforts on a new journey. We will continue to build a first-class industrial investment bank with core competitiveness, comprehensively promote the implementation of green development strategies, actively practice the principle of responsible investment, and contribute to the realization of higher-level green sustainable development of Guoyuan Securities and the construction of beautiful China.

ESG

Environment

- 100% coverage of staff for special training on climate change
- Decreased paper consumption by approximately 12.03% compared to that of the previous year
- Owned 27 green bonds in terms of fixed income amounting to 1.684 billion
- Per capita energy intensity was reduced by 7.6%

Social

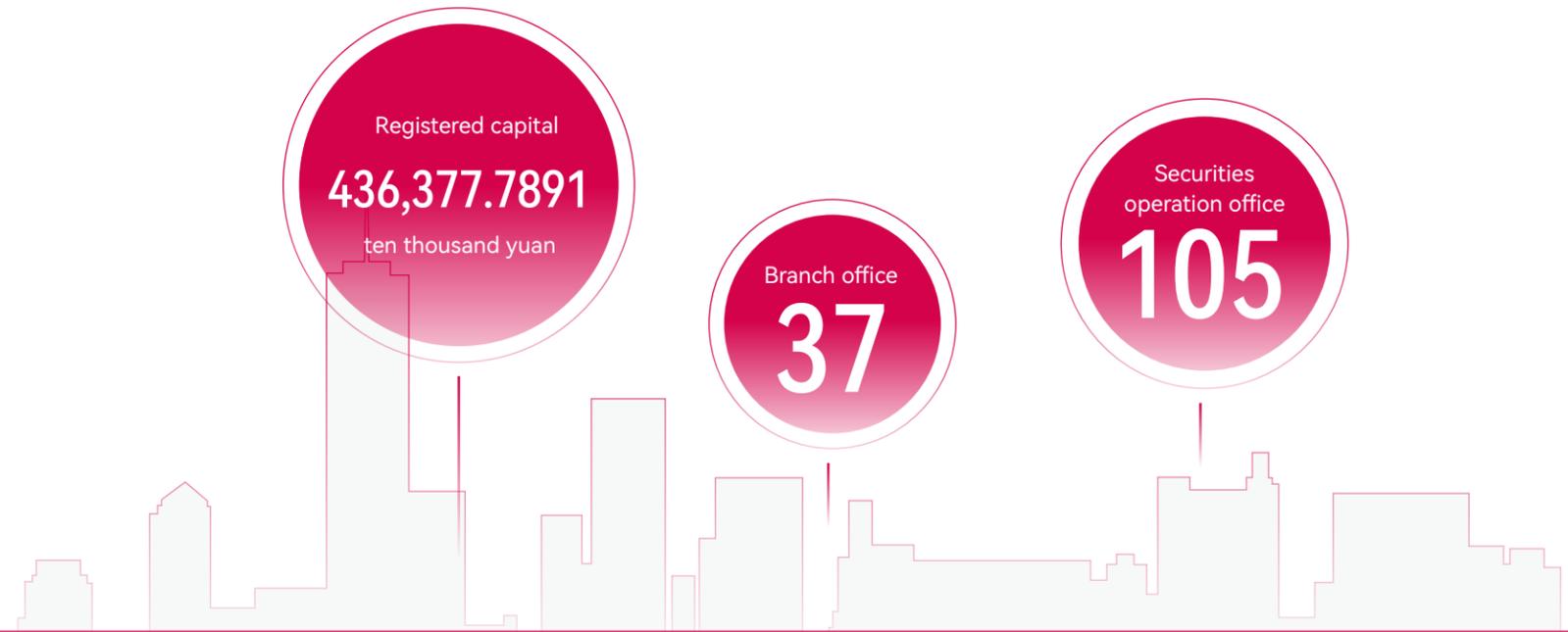
- Proportion of female employees: 42%
- Employees included in performance appraisal mechanism: 100%
- 0 deaths from safety accidents
- Average result of employee engagement: 44.01 points
- The proportion of female employees serving as leaders is 20.2%

Governance

- Included in the Hang Seng A-share sustainable development enterprise benchmark index
 恒生可持续发展企业指数系列
- The MSCI ESG rating is 'BB'
- Joined the UN Global Compact (UNGC)
- Overall customer satisfaction: 96.44%
- Customer complaint handling rate: 100%

Annual environmental, social and governance performance of Guoyuan Securities Co., Ltd. in 2022

ABOUT GUOYUAN



LEARN ABOUT GUOYUAN SECURITIES

Guoyuan Securities Co., Ltd., established by Beijing Hua'er Co., Ltd. through targeted share repurchase, major asset sales, and acquisition of new shares, was registered on October 25, 2007, and successfully listed on the Shenzhen Stock Exchange on October 30, 2007, after being approved by the China Securities Regulatory Commission (CSRC) in the document No. 165 [2007]. The former Guoyuan Securities Co., Ltd., established by the former Anhui International Trust and Investment Company and the former Anhui Trust and Investment Company as the main sponsors, together with 12 other legal entities, was registered on October 15, 2001 after being approved by the China Securities Regulatory Commission (CSRC) in document No. 194 [2001]. The current registered capital is RMB 4,363,777,891.

The company is qualified as a comprehensive securities company for multiple securities businesses including retail brokerage, investment banking, wealth management, investment and financing, OTC market and others. Its holding and participating companies are engaged in publicly offered funds, privately offered funds, futures, international business, direct investment, alternative investment, regional equity market and other fields.

Its holding subsidiaries and participating companies include International Holdings Limited, Guoyuan Equity Investment Co., Ltd., Guoyuan Innovation Investment Co., Ltd., and its holding and participating companies mainly include Guoyuan Futures Co., Ltd., Changsheng Fund Management Co., Ltd., Anhui Anyuan Investment Fund Co., Ltd., Anhui Equity Service Group Co., Ltd. It has formed a comprehensive financial service platform with complete licenses and diversified business varieties.

Guoyuan Securities attaches great importance on the layout and optimization of its business outlets and continues its geographic expansion for a broader marketing channels. Guoyuan Securities sets up 37 branches and 105 securities business departments in sub-national levels like Beijing, Shanghai, Shenzhen, Chongqing, Shandong, Jiangsu, Zhejiang, Hubei and Henan during the reporting period.

Since its inception, based on the spirit of unity, dedication, truth and innovation and its business philosophy of standardized, quality and efficient operation with integrity and customer first, Guoyuan securities put forward the strategic vision that aims to building the first-class modern investment bank for common growth with customers and realizing scaled and quality sustainable development, fulfilled the responsibility and mission of creating a better life by serving the real economy, and identified its business slogan of integrity operation in the market and creating values through services. In virtue of this, the company not only maintained stable and promising growth, but also gained wide recognition from the society and even the global world. The company's shares have been included in the SZSI, MSCI China, FTSE Russell,

S&P Dow Jones, Hang Seng A-share Sustainability Index and other important domestic and international indexes; the company has been awarded the highest grade in the evaluation of serving the development of local real economy by Anhui Provincial People's Government for 12 consecutive years.

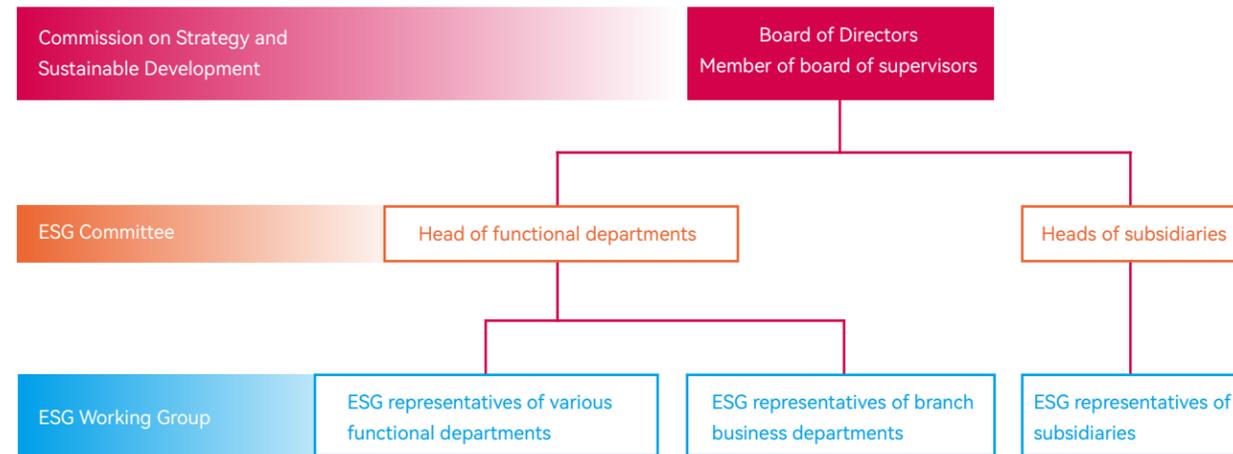
Company name	Guoyuan Securities Co., Ltd.
Business address	No. 18 Meishan Road, Hefei City, Anhui Province
Established in	June, 1997
Property of ownership	Joint stock company of limited liabilities (listed, state-controlled)
Business scope	Securities brokerage; securities investment consulting; financial advisory related to securities trading and securities investment activities; securities underwriting and sponsorship; securities self-dealing; securities asset management; securities financing; securities investment fund distribution; intermediary introduction business for futures companies; distribution of financial products; insurance agency business; securities investment fund custody business, etc.

GOVERNANCE

The Company has continuously improved its corporate governance system, actively promoted ESG governance, created an ESG ecological management system with Guoyuan's characteristics. In this way, it further improved corporate risk control system, promoted the full exercise of rights and duties by members of the board of directors and supervisors, and created good internal environment for the sound development of the company. During the reporting period, in terms of management policies, the company revised the Articles of Association of the Company, the Working Rules for Corporate President, and newly-published the Rules for the Management of Remuneration of Corporate Management, the Assessment Management Measures of Business Performance of Corporate Management, etc., which has laid basic institutional foundation for corporate governance. The company has set up an Executive Committee, which is the highest management organization of the company and further improves corporate governance system.

Governance structure

Corporate ESG Governance Structure



The Board of Directors and the Board of Supervisors are responsible for making decisions and supervising major ESG issues respectively; the Commission on Strategy and Sustainable Development is managed by the Board of Directors, responsible for studying and making recommendations on long-term corporate development strategic planning, sustainable development and environmental, social and governance policies; the ESG Committee is responsible for the overall management of all major ESG issues; the ESG Working Group is responsible for implementing specific ESG management measures.

As of the end of the reporting period, there were 14 corporate board members, of which 12 were male and 2 were female, with the proportion of female directors reaching 14.29%. Among them, there were 5 independent directors. The company had 26 directors, supervisors and executives, among which 23 were male and 3 were female, with female accounting for 11.11%. The company attached great importance to the balance and diversity of its board members. Among the board members, 5 had background of securities industry, 10 had experience in risk management, 4 are financial management experts and 3 are legal experts.



Board of directors

14 members

Contribution to UN SDGs:



Goal 5: Gender equality

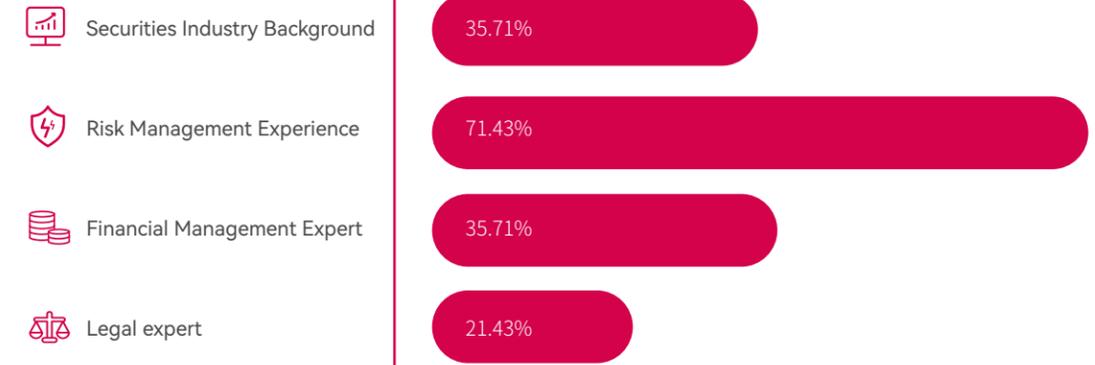
Build a diverse and inclusive workplace and provide more equal training and promotion opportunities for employees.



Goal 10: Reduced inequalities

Empower employees by creating a fair, equitable, diverse and inclusive working environment.

Board Member Background

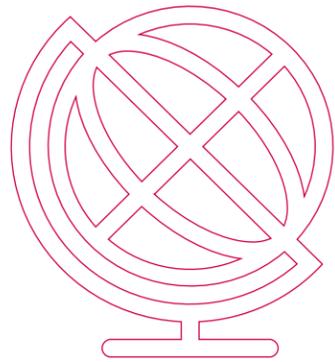


Board involvement

Process of the Board's supervision on ESG issues



During the reporting period, the company organized 31 meetings of the shareholders, the board of directors, the board of supervisors and the special committee of the board of directors, and a total of 181 motions were considered. During the reporting period, the Board of Directors and its Commission on Strategy and Sustainable Development reviewed the following ESG issues: Annual corporate ESG work and annual corporate cultural practices, etc. During the reporting period, the company attached great importance to the protection of shareholders' and creditors' rights and interests, and explained the management of investor relations and the protection of the rights and interests of small and medium-sized shareholders in the annual report of the shareholders' meeting, including normalization of the convening procedures of shareholders' meetings, and the situation of online voting, selective information disclosure, profit distribution and investor relations management.



Review of the progress of strategic goals

Progress of Annual ESG Strategic Goals of Guoyuan Securities in 2022

Governance strategy

Through the implementation of responsible investment and the establishment of comprehensive risk management system, we have built a bottom-up ESG culture that is participated by all employees.

Core goals



Strategic goals

- Assessment and evaluation of directors, supervisors and senior executives are linked to ESG.
- All business locations are covered in the annual business ethics audits every three years.
- ESG evaluation is carried out on all investment objects.

Progress achieved in 2022

- The evaluation of directors, supervisors and senior executives has incorporated ESG factors.
- The company audited a total of 68 projects during the reporting period. The total number of audit projects for branch institutions was 36, including 19 regular audit projects and 17 exit audit projects.
- During the reporting period, Corporate Equity Investment Department, Fixed Income Department, Securities and Finance Department, and Guoyuan Equity Investment Co., Ltd. have conducted ESG evaluation on all investment objects.

Talent strategy

By fostering fair, equitable, diverse and inclusive working environment, we empower employees, especially female employees, and build a professional team with an international perspective, create more opportunities for them to make achievements.

Core goals



Strategic goals

- Female employees are maintained at a percentage of around 40%.
- Female employee empowerment shall be strengthened and the proportion of female employees in leadership positions is maintained at around 20%.
- The building of a responsible investment talent team shall be intensified to create an ESG team consisting of 15 analysts by 2025.
- Turnover rate shall be lower than the industry average.

Progress achieved in 2022

- The proportion of female employees in the company by the end of the reporting period was 42%.
- The proportion of corporate female employees in leadership positions by the end of the reporting period was 20.2%.
- The company actively promoted the development of ESG analyst team, and employed 7 ESG analysts during the reporting period.
- The company attached great importance to its talent strategy, and the employee turnover rate decreased during the reporting period compared with that of the previous year.

Climate strategy

We actively carry out climate risk analysis, promote greenhouse gas emissions reduction in financial activities with our efforts, actively respond to climate change, and strive to protect the ecological environment.

Core goals



Strategic goals

- Reduce greenhouse gas emission per capita by 5% per year.
- Achieve carbon neutrality in corporate operations by 2040.
- Organize annual education and training programs about climate change for investors.

Progress achieved in 2022

- Greenhouse gas emissions per capita decreased by 18.1% during the reporting period compared to that of the previous year.
- Carried out theoretical research on carbon neutrality; Built ESG data line collection management platform, and actively promoted energy saving and consumption reduction activities
- During the reporting period, corporate investor education base provided free online education and training for investors to share knowledge on how to cope with climate change.

Risk and opportunity management

As the stability of the financial system is core of economic issues, financial stability contributes to economic stability. The occurrence of a significant negative environmental, social and corporate governance (ESG) event may cause significant damage to corporate intangible value, reputation or operational capabilities, which may also affect the achievement of overall strategic and business goals of the company, as well as the economic returns to stakeholders such as investors and customers. Therefore, the prevention of such events is crucial to mitigate systemic financial risks, maintain healthy and quality economic development and create a safe and stable financial environment.

There are multiple inherent risks and potential ESG risks in the financial sector. In order to mitigate the impact of ESG risks and emerging risks to investors, customers and other stakeholders, the company has been staying committed to the concept of legal compliance and sound operation and complies with the Securities Law of the People's Republic of China and other laws, regulations and supervisory requirements. In addition, the company has developed an ESG risk and financial management system by referring to COSO Enterprise Risk Management - Integrating Strategy and Performance (COSO ERM Framework) and Enterprise Risk Management - Integrating Environmental, Social and Governance-related Risks into Corporate Risk Management. It has also formulated Comprehensive Risk Management System of Guoyuan Securities and ESG Risk and Opportunity Identification, Analysis and Evaluation Procedures of Guoyuan Securities. Through this, the company successfully integrated ESG risk management into all aspects of corporate strategy and business operations.



Review of Operational Performance of ESG Risk Management System	
01 ESG Risk Culture	<ul style="list-style-type: none"> · Corporate operating management was responsible for ESG risk management and assessment. · Chief Risk Officer was appointed for overall risk management. · Determine the functional department of risk management responsible for risk management. · Identify ESG managers in headquarters and branch offices, and provide relevant ESG risk and opportunity management training for them. Provide all employees with ethics risk, climate change risk, and integrity training to improve risk control capability. · Provide external training and encourage voluntary learning and continuing education and other forms to improve risk management capability. · Timely communicate to all employees of various information released by regulators and market players through corporate WeChat and other information platforms to create ESG risk culture involving all employees.
02 ESG Strategic Objectives	<ul style="list-style-type: none"> · The Board of Directors approved corporate ESG strategic objectives. · When setting strategic objectives, significant environmental, social and governance risks were taken into consideration, as well as short-, medium- and long-term impact on the company and stakeholders.
03 ESG Risk Performance	<ul style="list-style-type: none"> · Corporate ESG risk and opportunity identification, analysis and evaluation process has been in operation for 1 year. · All corporate functional department and branch offices conducted ESG risk and opportunity assessments to ensure that all business activities and management processes are covered. · Identify significant ESG risks and opportunities, management objectives, and measures to respond.
04 ESG Risk Review	<ul style="list-style-type: none"> · With reference to the annual Global Risk Report published by the World Economic Forum (WEF), the Doughnut of social and planetary boundaries proposed by Kate Raworth, we reviewed the ESG risk and opportunity assessment process and objectives every year to continuously optimize the internal management system in light of emerging technologies and market trends. · Corporate ESG risks and opportunities were reassessed during the reporting period.
05 Periodic Report	<ul style="list-style-type: none"> · Progress on ESG risk and opportunity management is publicly communicated to stakeholders through the annual ESG Report.

The company has paid close attention to the negative and positive effects of changes in domestic and international short-, medium- and long-term risk factors, regularly identified and forecasted ESG risks and opportunities, and formulated risk and opportunity action measures to grasp the development opportunities of the industry and reduce the risks to an acceptable level.

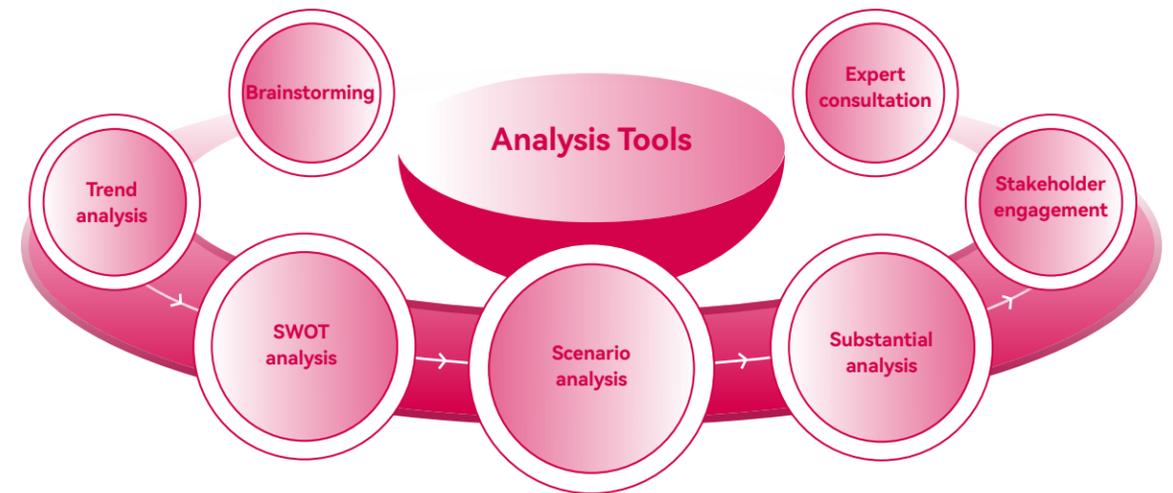


ESG Risk and Opportunity Management Process of Guoyuan Securities



In the process of ESG risk identification, the company adopted brainstorming and trend analysis to identify potential risks. Analyze corporate environmental, social and governance strengths and weaknesses, as well as opportunities and threats with relevant tools. Every year, internal and external stakeholders will be invited to fill out a questionnaire to sort out the risks and impacts through substantial topic analysis, and we also adopted scenario analysis to deduce the possible consequences of ESG risks to the company and its stakeholders. Meanwhile, the company has invited external ESG technical experts to provide technical advice on the results of ESG risk and opportunity analysis to ensure that the analysis results are forward-looking, objective and comprehensive.

Risk Assessment and Analysis Tools of Guoyuan Securities



In the company's risk assessment during the reporting period, economic and governance risks were added, biodiversity risks were added to environmental risks, mass unemployment risks were added to social risks, and cyber security risks and emerging technology opportunities were added to technology risks. Credit risk, market environment risk, liquidity risk, operational risk, reputation risk, etc. were integrated into the comprehensive risk management category for management.

ESG Risk Assessment Results of Guoyuan Securities

Risk categories	Risk description	Impact category				Impact time	Mitigation measures
		Strat-egy	Repu-tation	Opera-tion	Busines continuity		
Economy and Governance	Asset bubble breaking in large economies	✓		✓	✓	Medium to long-term impact, over 3 years	1. Allocate more financial resources to key sectors and weak links of economic and social development to better meet the needs of the real economy and diversified financial needs. 2. Actively develop sustainable financial products. 3. Invest in/support ESG-related emerging industries/companies. 4. Join international initiatives and organizations to follow up the domestic and international market trends. 5. In terms of actions and measures, carry out indicator stress test for risk management.
	Large enterprises bankruptcy or debt crisis	✓	✓	✓	✓	Medium to long-term impact, over 3 years	1. In terms of policies, Corporate Credit Risk Management Measures were formulated to take care of fulfillment performance of counterparties in a timely manner. 2. In terms of preventive measures, based on the quantitative analysis of Moody's internal system and the qualitative analysis of departmental credit assessment professionals, the company has established a credit risk assessment system and issued independent and objective credit risk assessment results. 3. In terms of actions and measures, a dynamic risk control indicator monitoring and capital replenishment mechanism was established to ensure that all risk control indicators, such as net capital, comply with regulations and standards at any time. 4. Credit risk was effectively controlled by means of bond pool layering management.
	Risks of illegal financial activities	✓	✓	✓	✓	Medium to long-term impact, over 3 years	1. In terms of system, Corporate Comprehensive Risk Management System and Trial Measures for Corporate Management of the Anti-Money Laundering were established to foster an anti-money laundering organizational structure and strengthen the management of anti-money laundering.

Risk categories	Risk description	Impact category				Impact time	Mitigation measures
		Strat-egy	Reput-ation	Opera-tion	Busines continuity		
	Corruption risks	✓	✓	✓		Short-term, 0-2 years	1. In terms of management system, Rules for the Implementation of Internal Control of Corporate Integrity Practices were formulated and integrity objectives have been included in the Company's Articles of Incorporation. 2. Annual communication and training on business ethics policy for all employees and business partners are in place. 3. In terms of preventive measures, stakeholder complaint and whistleblower protection mechanism was established for public supervision. 4. In terms of assessment tools, business ethics audits covered all business outlets every three years. 5. In terms of remedies, the company reserved the right to recover assets from individuals who infringe upon the company's property in accordance with laws.
Environment	Climate change risks	✓		✓	✓	Short-term, 0-2 years	1. In terms of policy, based on responsible investment guidelines, relevant departments of the company have actively revised their business guidelines to strengthen investment and financing in the climate sector. 2. In terms of targets, climate strategies and carbon peaking and carbon neutrality goals were set, and all employees were required to engage in energy conservation and emission reduction. 3. In terms of actions and measures, physical risk identification and related emergency measures are in place.
			✓			Medium-term, 3-5 years	4. Develop an action plan to achieve carbon peaking and carbon neutrality goals for the company to promote green and sustainable development. 5. Enhance employee training on climate-related knowledge. 6. Take advantage of investor education base to provide employees and surrounding communities with knowledge training about climate change risks.

Risk categories	Risk description	Impact category				Impact time	Mitigation measures
		Strat-egy	Repu-tation	Opera-tion	Busines continuity		
Environment	Climate change opportunities			✓		Long-term, over 5 years	<p>1.In terms of institution, Corporate Responsible Investment Guidelines were developed to encourage investment in industry sectors committed to climate change mitigation.</p> <p>2.In terms of actions and measures, sustainable financial products were actively developed; preliminary preparation work for the application of carbon emission trading rights permit has been rolled out.</p>
		✓	✓	✓		Short-term, 0-2 years	<p>3.In terms of employee awareness, internal publicity media was adopted to spread the concept of green office, low-carbon travel and energy-saving and emissions reduction.</p>
	Biodiversity risks	✓		✓		Long-term, over 5 years	<p>1.In terms of strategy, integrate the protection of natural resources and social environment into strategic goals management.</p> <p>2.In terms of policy, Corporate Responsible Investment Guidelines have been developed to ensure that funds do not flow to companies that destroy biodiversity.</p> <p>3.In terms of institution, we have revised their procedural documents to provide more financing support for biodiversity conservation and capital support to industries and sectors that protect biodiversity.</p> <p>4.In terms of preventive measures, ESG due diligence form of Guoyuan Securities was developed to include biodiversity conservation as an assessment factor; it is planned to include biodiversity into the risk assessment of financial system.</p>
Social	Talent retention risks	✓			✓	0-2 years	<p>1.In terms of strategy, talent development strategies and short-, medium- and long-term development goals are in place.</p> <p>2.In terms of actions and measures, equal, fair and diversified working environment was built to attract and retain talents.</p> <p>3.Promote transformation and optimization of HR structure.</p>

Risk categories	Risk description	Impact category				Impact time	Mitigation measures
		Strat-egy	Repu-tation	Opera-tion	Busines continuity		
Social	Mass unemployment risks		✓	✓		Medium to long-term impact, over 3 years	<p>4.Strengthen school-enterprise collaboration to build a talent pool and reserve quality talents for the company.</p> <p>5.Improve talent development channel and provide fair promotion opportunities for female employees.</p> <p>6.Provide competitive compensation for employees.</p> <p>7.In terms of assessment methods, employee communication and feedback mechanism have been improved; annual employee working environment and engagement survey is conducted and improvement measures are developed to reduce talent turnover rate.</p>
Technology	Cyber security risks		✓			Medium-term, 3-5 years	<p>1.In terms of system, Management Measures on the Security of the Information System of Guoyuan Securities have been established.</p> <p>2.In terms of employee awareness, regular information security training was carried out.</p> <p>3.In terms of preventive measures, annual emergency drills were conducted to simulate scenarios where cybersecurity measures fail.</p> <p>4.In terms of actions and measures, reliability and safety reviews were conducted.</p>
	Emerging technological opportunities			✓		Medium to long-term impact, over 3 years	<p>1.Promote corporate digital transformation towards greater intelligence and ecological evolution.</p> <p>2.In terms of actions and measures, corporate Financial Technology Innovation Lab actively carried out project topics covering core technologies such as artificial intelligence and big data, with business scope covering investment research, investment advisory, brokerage, and credit, etc.</p>

Risk Management Practice of Guoyuan Securities

The company provided training on reputation risk management.

In order to improve the comprehensive risk management system, the company implemented relevant requirements of corporate reputation risk management to effectively prevent reputation risk. It also hosted a meeting concerning corporate reputation risk management training in July 2022. Reputation risk management representatives from headquarters departments, branch offices and subsidiaries participated in the meeting that supported both online and offline. Through this training, all departments, branch offices and subsidiaries clarified their understanding of reputation risk management requirements; employees obtained improvement in reputation risk management, which could ultimately help prevent the occurrence of reputation risks and strengthen relevant management.



Communication of stakeholders

In reference to international standards and guidelines, including GRI Standards and AA1000 SES Stakeholder Engagement Standard, we have identified our key stakeholders, such as shareholders and investors, employees, customers, creditors, business partners, governments and regulators (including exchanges), public media, industry associations and peer companies in the same industry, surrounding communities (including residents) and the environment.

We actively fulfilled our social responsibilities by establishing a transparent and efficient multi-channel communication platform, deepening communication and exchange with various stakeholders and listening to their feedback and opinions. We responded to stakeholders' requests and expectations in a timely, quick and effective manner through regular or irregular communication, and updated and adjusted corporate sustainability planning and practices based on their feedback.

Identification and Communication of the Corporate Major Stakeholders			
Stakeholders	Needs and expectations	Communication and response	Frequency
 Shareholders and investors	<ul style="list-style-type: none"> · Governance · Economic performance · Compliance operation · Business ethics · Comprehensive risk management 	<ul style="list-style-type: none"> · Shareholders' meeting · Regular information disclosure · Investors' home · Investors' contact point 	Regular
		<ul style="list-style-type: none"> · Investor education · Corporate official website, official WeChat account and other media · Telephone, customer follow-up · Performance presentation · Investor reception day · Communication with non-bank analysts 	Irregular
 Employees	<ul style="list-style-type: none"> · Employee diversification and inclusion · Employee training and development · Employee rights and benefits · Talent motivation and retention 	<ul style="list-style-type: none"> · Performance appraisal · Employee training · Office Automation (OA) platform for internal meetings · Corporate culture activities · Satisfaction surveys 	Regular

Identification and Communication of the Corporate Major Stakeholders			
Stakeholders	Needs and expectations	Communication and response	Frequency
 Customers	<ul style="list-style-type: none"> · Optimizing customer service 	<ul style="list-style-type: none"> · Customer service and complaints · Guoyuan Dianjin App · Official WeChat account and other media · Customer follow-up 	Irregular
 Creditors	<ul style="list-style-type: none"> · Governance 	<ul style="list-style-type: none"> · Regular information disclosure 	Regular
	<ul style="list-style-type: none"> · Compliance operation · Comprehensive risk management · Responsible investment 	<ul style="list-style-type: none"> · Communication meetings 	Irregular
 Business partners	<ul style="list-style-type: none"> · Supply chain management 	<ul style="list-style-type: none"> · Communication meetings · Questionnaire research · On-site and off-site verification 	Irregular
 Governments and regulators (including exchanges)	<ul style="list-style-type: none"> · Governance 	<ul style="list-style-type: none"> · Regular information disclosure 	Regular
	<ul style="list-style-type: none"> · Compliance operation · Comprehensive risk management 		
 Public media	<ul style="list-style-type: none"> · Compliance operation · Corporate culture and values · Community value creation 	<ul style="list-style-type: none"> · New media platforms · Company website and email · Information disclosure · Questionnaire 	Regular
 Industry associations and peer companies	<ul style="list-style-type: none"> · Fintech empowerment 	<ul style="list-style-type: none"> · Industrial seminars · Academic exchange activities 	Irregular
 Surrounding communities (including residents) and the environment	<ul style="list-style-type: none"> · Respond to climate change · Community value creation 	<ul style="list-style-type: none"> · Official WeChat account and other media · Public welfare activities · Questionnaire research · Investor education · Green office · Green finance 	Irregular

Analysis of material topics

In order to respond to the demand of stakeholders in a more substantive manner, we actively communicated with stakeholders via online questionnaires, collected extensive feedback from stakeholders, and incorporated the opinions and demands of stakeholders and governance bodies into the preparation of this report.

1. Screening of material topics



In alignment with international standards and initiatives (including GRI Standards, SASB industry standard for sustainability accounting guidelines and UN SDGs), investment and rating agencies, best corporate practices of our peer companies and corporate value chain analysis, we have identified 17 substantial topics. The key points of impact and management have been disclosed in this report.

2. Analysis of material topics

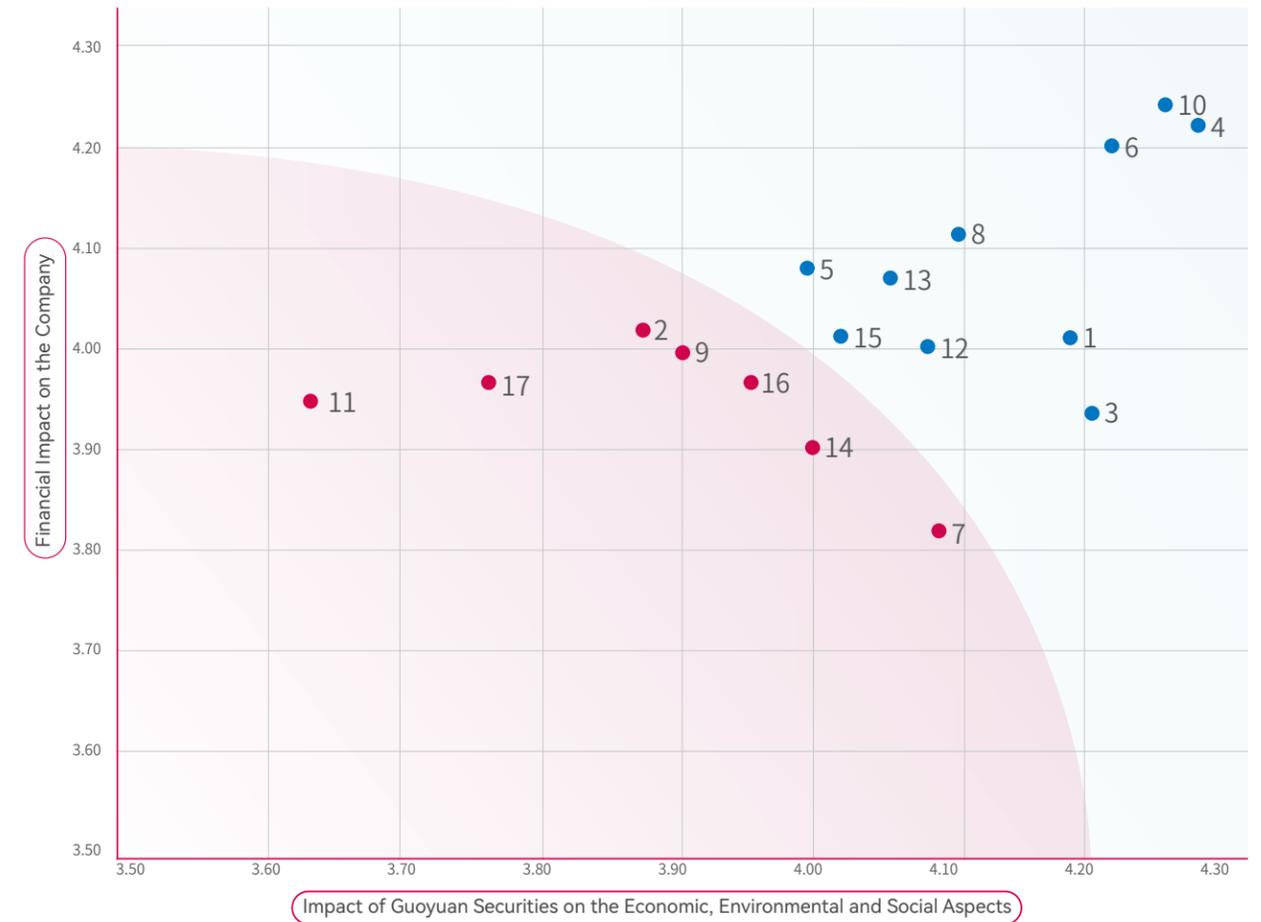


A total of 955 valid questionnaires were returned (including 734 from employees and members of the governance body, and 221 from other stakeholders). Based on the results of each stakeholder's assessment of relevant topics, the company conducted a cross analysis of their financial impact on the company and the impact of the company on environmental, social and economic aspects, and ultimately worked out a substantial topic matrix of this report.

3. Material topic matrix and prioritization



The company comprehensively considered the scores of each topic in terms of their financial impact on the company and sustainability, and categorized them into three levels: high, medium and low. We responded to all the topics one by one in the report, and the highly substantial topics will be highlighted in the disclosure of the report.



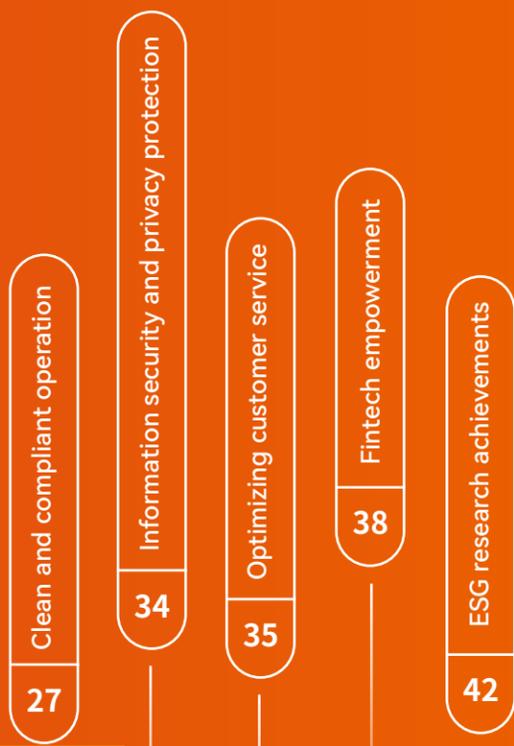
Analysis Matrix of Guoyuan Securities Material Topics

High substantial topics	Medium substantial topics
1. Governance	2. Corporate culture and values
3. Economic performance	7. Optimizing customer service
4. Compliance operation	9. Fintech empowerment
5. Business ethics	11. Supply chain management
6. Comprehensive risk management	14. Employee rights and benefits
8. Responsible investment	16. Employees' training and development
10. Data security and privacy protection	17. Community value creation
12. Respond to climate change	
13. Employee diversification and inclusion	
15. Talent motivation and retention	

ESG

03

CREATING A POSITIVE FINANCIAL ENVIRONMENTAL IMPACT



Contribution to UN SDGs:



Goal 12: Responsible consumption and production

We are committed to responsible procurement to reduce the environmental and social impacts of ourselves and our value chain.



Goal 16: Peace, justice and strong institutions

We insist on improving our compliance management system, standardizing corporate operation and management, and promoting the building of a law-based society.

CLEAN AND COMPLIANT OPERATION

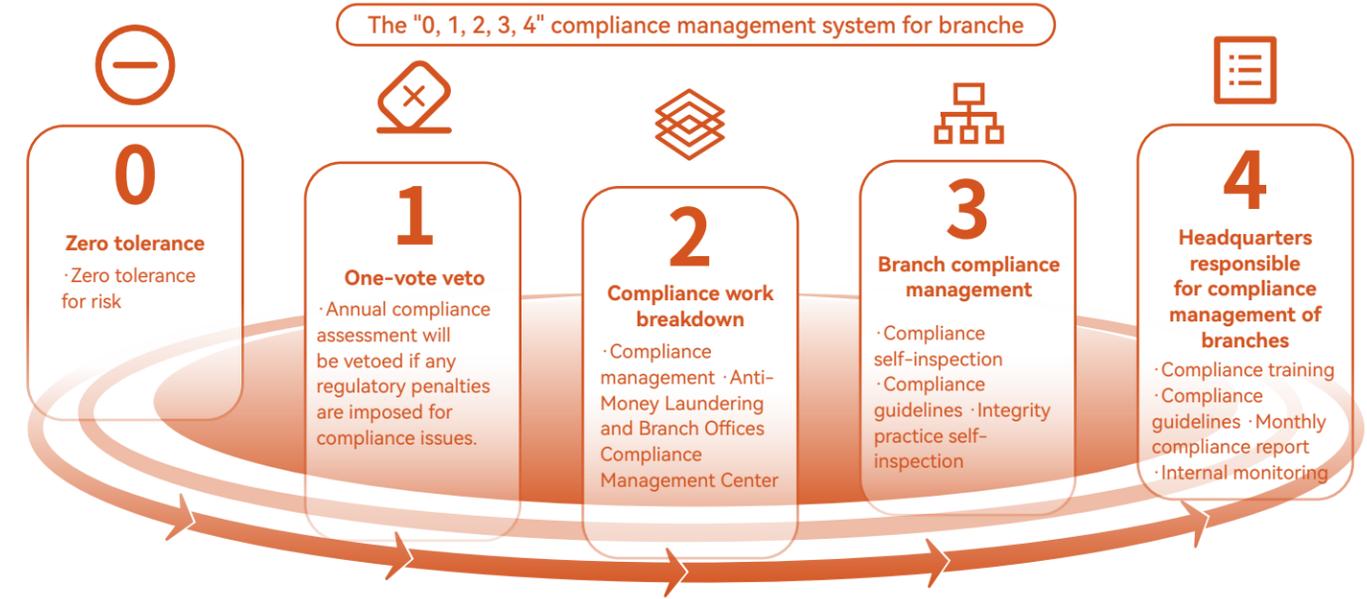
Compliance Operation

Operation in compliance with laws serves as the solid foundation for the company's steady growth. Guoyuan Securities always adheres to the bottom line. In accordance with the requirements of the Securities Law of the People's Republic of China, the Regulation on the Supervision and Administration of Securities Companies and other laws and regulations, it has formulated the Staff Compliance Manual of Guoyuan Securities and Measures for the Effectiveness Evaluation of Compliance Management of Guoyuan Securities on the basis of corporate culture principle system. In this way, the company has gradually established and improved the compliance management system that features compliance culture, system building and closed-loop management, to ensure that its own business development meets compliance requirements. The company has set a particular and independent compliance and legal department to ensure the independence of compliance management. The company also actively promoted its compliance culture, and enhanced all employees' compliance awareness with the help of various activities, video training and compliance guidelines. The company has increased its efforts in the training of compliance management talents, aiming to improve the professionalism of the compliance management team and enhance corporate compliance level. In 2022, the company rolled out the module of employee practice information declaration in the ERP integrated management platform to enhance the compliance management of practitioners. The company abides by the relevant laws and regulations of anti-competition and anti-monopoly, strengthens the awareness of fair competition among internal personnel, and prohibits business personnel from using unfair competition to solicit business. During the Reporting Period, the company received no legal proceedings related to unfair competition.

Compliance management capability is the core competitiveness of the securities industry, and the large number of branch offices has made it even more difficult to manage. In response to a huge number of compliance risk events in various branch offices of the securities industry, the company established the Anti-Money Laundering and Branch Compliance Management Center to perform anti-money laundering duties and compliance management in 2022. The company has formulated Management Measures for Compliance and Risk Control Personnel of Guoyuan Securities Business Headquarters and Branch Offices and Management Measures for Compliance and Risk Control Personnel of Guoyuan Securities Subsidiaries. The purpose is to standardize the management and supervision of compliance and risk control personnel as well as compliance procedures and policies of branch offices. It has also established a compliance management system of five categories to reduce relevant compliance risks and advance high-quality development of the company.



Participated in the Securities and Futures Integrated Business Competition with the theme of "Adhering to the original mission, focusing on compliance, and undertaking responsibilities"



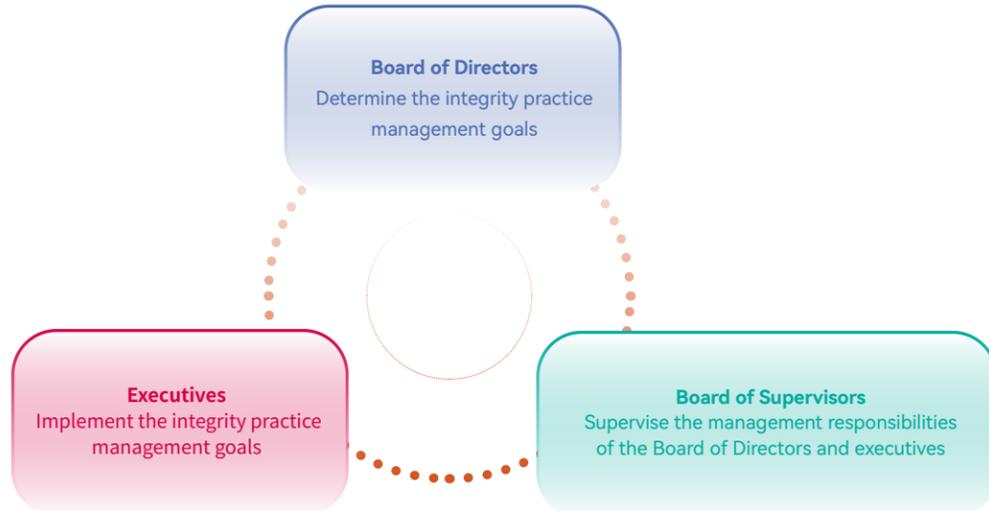
Integrity practice

Adhering to the business philosophy of "integrity-oriented, standardized operation, customer first, high quality and efficiency", and aiming to establish a risk prevention and management system for operation integrity, Guoyuan Securities advocated the concept of integrity practice, created the cultural atmosphere that respects integrity and prohibits corruption, and established a good internal environment for sustainable, healthy and high-quality development of the company. In accordance with regulatory requirements and corporate culture and philosophy, the company has formulated special systems and documents such as the Compliance Manual for Employees of Guoyuan Securities Co., Ltd., the Management System of Integrity Practices of Guoyuan Securities, and the Implementation Rules for Internal Control of Integrity Practices of Guoyuan Securities, and integrated chapters and articles on integrity practices to relevant corporate systems, established and improved the internal control mechanism of integrity practices, and standardized the responsibilities of all levels and institutions of the company thereof. In 2022, the Company revised the Implementation Rules for Internal Control of Integrity Practices of Guoyuan Securities Co., Ltd., and incorporated integrity practice goals into Articles of Association. The above regulations are applicable to all corporate employees, the brokers who have signed commission agreements with the Company, and other personnel dispatched to the Company by labor agencies.

The corporate discipline inspection and supervision department performs internal inspections on integrity practice on a regular and irregular basis, incorporates the integrity risk into annual internal control assessment, urges relevant departments to timely correct identified problems, and initiates the accountability procedures for responsible personnel thereof. By April 30 each year, the Company submits a report to Anhui Securities Regulatory Bureau on its integrity practice management for the previous year based on the daily inspection and audit findings.

The company has incorporated the integrity of staff into the personnel management system, and clearly requires that when personnel are recruited, registered and subsequently managed, promoted, appointed, exited, as well as assessed, audited and reviewed, their integrity practice shall be examined and evaluated without exception. In actual practice, first of all, corporate employees shall sign Integrity Practice Commitment Letter when joining the company. Secondly, "entrance and exit" of employees shall be strictly under controlled, whereby background investigation shall be performed before recruitment, the disciplinary committee and compliance department shall be consulted before promotion, appointment and exit of the employee, and integrity practice shall be taken as an assessment indicator during performance appraisal. If an employee violates integrity practice, he/she will not be employed or promoted, and their practice certificates will not be registered or changed. Exit procedures will be suspended according to the actual situation, and such actions will be recorded in the employee integrity file, whereby scores of performance appraisal will be deducted accordingly. Thirdly, when business department heads and key position heads leave the company, responsibility audit shall be conducted against their tenure serving the company. Fourthly, in the process of cadre inspection, selection and appointment, the party members and cadres shall be "politically sound, inherently honest", and their compliance and integrity practice will be included in the inspection and assessment, and the compliance department and discipline inspection department will be consulted thereof. Fifthly, we arrange pre-appointment integrity talks with party members to enhance their integrity awareness and self-discipline.

Governance Structure of Integrity Practice



The signing rate of Commitment to Integrity Practice is

100 %



Integrity training

Training topic
Studying integrity rules

Training scope
All employees

Training time
July 21, 2022

Training topic
Studying Integrity cases

Training scope
All employees

Training time
August 17, 2022

Training topic
Subsequent integrity training for practitioners

Training scope
All practitioners

Training time
September - October 2022

Training topic
Opinions on strengthening the supervision of the integrity of intermediaries under the registration system

Training scope
Investment banking staff

Training time
Aug 26, 2022



Anti-corruption

The Company encourages all stakeholders to report corruption incidents, through a secondary reporting mechanism and open reporting channels. The company protects the legitimate rights and interests of each whistleblower, strictly abides by confidentiality of personal information of whistleblowers, so as to protect them from retaliation or discrimination. The company takes every reported incident seriously, verifies the reported situation, strictly prohibits insulting or defaming the reputation of any employee, and strictly prohibits false reporting and malicious damage to the legitimate rights and interests of the reported person. If it is of serious nature with severe consequences, the company will transfer the case to the judicial organs accordingly.

Secondary reporting mechanism of Guoyuan Securities

Customer complaints/reports

Tel: 95578/4008888777
Email: 95578@gzq.com.cn
Post address: Tower A, Anhui International Finance Center,
No.18 Meishan Road, Hefei City, Anhui Province, China
Postcode: 230022
On-site reporting: Business outlets of Guoyuan Securities

Non-customer complaints/reports

Tel: 0551-62207323、62207968
Email: esg@gzq.com.cn
Post address: Tower A, Anhui International Finance Center,
No.18 Meishan Road, Hefei City, Anhui Province, China
Postcode: 230022
On-site reporting: Guoyuan Securities Headquarters

The reporting mechanism of Guoyuan Securities is accessible to the public, and all stakeholders may file complaints and reports through the above channels.



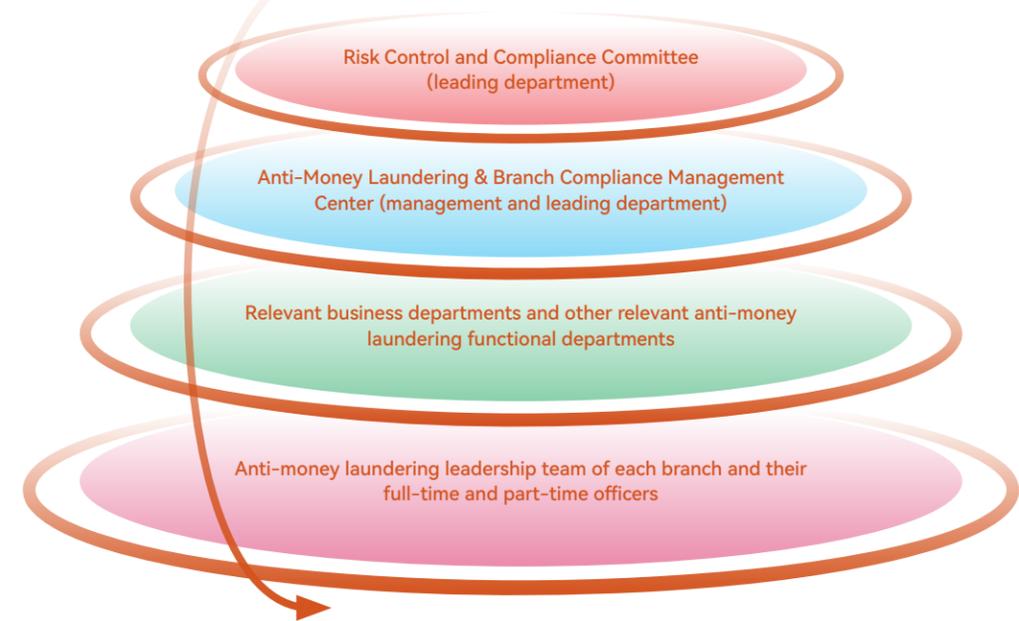
As of 2022, employee anti-corruption training coverage has remained at **100%** for three consecutive years.
There was zero incident of corruption litigation during the reporting period, and no administrative penalties or fines were imposed arising from corruption.



Anti-money laundering

Anti-money laundering and counter terrorism financing is an obligation of Guoyuan Securities and one of the means to mitigate corporate financial and legal risks. The company has formulated Risk Management Measures for Prevention and Control of Anti-Money Laundering and Counter Terrorism Financing based on Anti-Money Laundering Law of the People's Republic of China, Supervision and Administration Measures for Anti-Money Laundering and Anti-Terrorist Financing of Financial Institutions, Implementation Measures for Anti-Money Laundering in the Securities and Futures Industry, Guidelines for Risk Management of Money Laundering and Terrorist Financing of Legal Financial Institutions (for Trial Implementation), Guidelines for Anti-Money Laundering of Securities Companies and other regulations, and established a comprehensive anti-money laundering organization structure, comprehensively controlling money laundering and terrorist financing risks (hereinafter referred to as "money laundering risks") from top to bottom, committed to building an anti-money laundering management system that meets regulatory requirements, and standardizing the implementation of anti-money laundering obligations. Meanwhile, in order to effectively prevent and control corporate money laundering risks, the company has established an anti-money laundering monitoring system for large and suspicious transactions which was able to process and report suspicious transactions accordingly. This significantly improved the capacity and efficiency of information analysis and screening.

Anti-Money Laundering Governance Structure



Letter of Commendation from the Office of the Inter-departmental Joint Conference on Anti-Money Laundering in Anhui Province



During the reporting period, the company conducted a comprehensive self-assessment on money laundering and terrorist financing risk and employed a professional third-party institution to generate Money Laundering and Terrorist Financing Risk Self-Assessment Report of Guoyuan Securities. The assessment results show that the overall inherent risk level of the company is "medium", the overall effectiveness of control measures is "effective", and the final residual risk is "medium-low" at present. Through this self-assessment, the company managed to sort out the money laundering risks it faced and identify weaknesses in anti-money laundering work, providing an effective reference for subsequent money laundering risk management and further improving the risk-based anti-money laundering work mechanism.

The company strives to be the leader in pioneering the local capital market and risk mitigation, in order to improve its professional level of anti-money laundering in continuous training and studying and to build the "three lines of defense" against money laundering risks. In November 2022, in order to promote the exchange of anti-money laundering (AML among institutions in the securities and futures industry in Hefei and jointly improve AML capacity, Guoyuan Securities coordinated five legal entities in the securities and futures industry in Hefei for an AML exchange meeting under the arrangement of the Association of Certified Anti-Money Launderers (ACAMS). With the international vision of ACAMS on AML, this exchange meeting effectively enhanced corporate knowledge of AML expertise, strengthened communication with ACAMS and other experts and organizations in the industry, and improved the industrial AML capability. Internally, the company shares anti-money laundering cases on monthly basis and communicates anti-money laundering knowledge to employees on daily basis to improve their anti-money laundering capability. During the reporting period, the company was recognized of its anti-money laundering efforts and awarded the Letter of Commendation for anti-money laundering by the Office of Inter-departmental Joint Conference on Anti-Money Laundering in Anhui Province.

CASE | Hosting live promotional activities for anti-money laundering education

In order to raise public awareness of money laundering risks and enhance their prevention capability, Guoyuan Securities made an proactive innovative attempt to carry out a live anti-money laundering knowledge promotion on Tiktok together with the Hefei Central Branch of the People's Bank of China in July 2022. The promotion activity collected financial scenes in real life that is very close general public, and provided interpretations and answers to specific questions for them. On that day, up to 3,700 people were online at the same time, with a total of over 20,000 views and simultaneous viewing of Guoyuan Dianjin APP over 1,000, which hit the record for the company's Xiaoyuan Live account. It assisted to raise public awareness of anti-money laundering in an interesting and vivid form, and was highly recognized by regulators and peer institutions.



Anti-money Laundering Live Stream

“ During the reporting period, the company organized a total of **28** anti-money laundering related trainings. During the reporting period, no anti-money laundering information leaks occurred and no internal personnel was suspected of money laundering. ”

Supply chain management

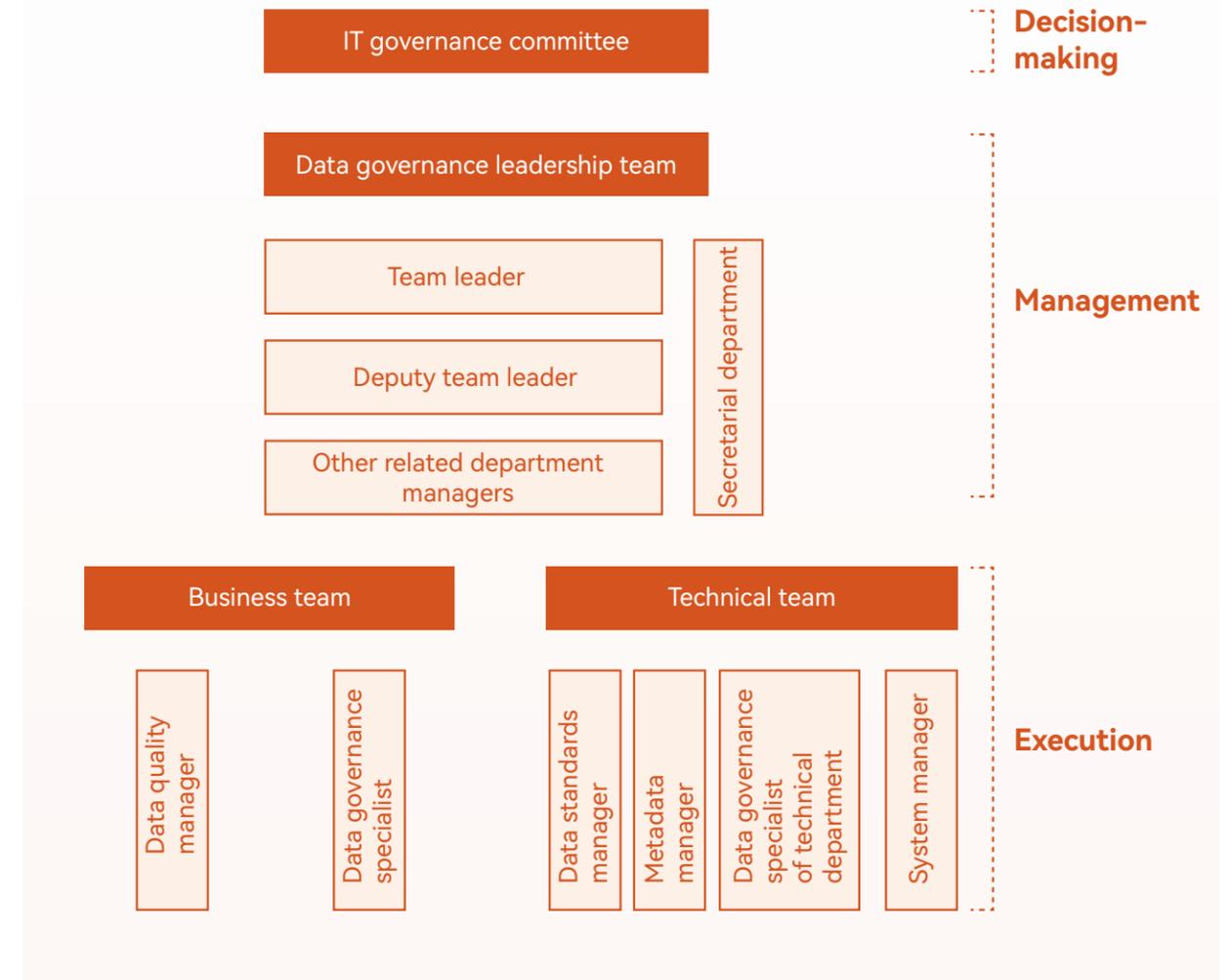
The company sticks to fair procurement and manages the tender of corporate engineering and construction projects, hardware and software equipment procurement and bulk commodity procurement in strict accordance with the laws and regulations such as Law of the People's Republic of China on Tenders and Bids and Measures Taken by Anhui Province for the Implementation of the Law of the People's Republic of China on Tenders and Bids. The company conducts procurement in accordance with the principles of openness, fairness, justice, and transparency. At the same time, it integrates ESG factors such as reputation performance and environmental protection qualifications into supplier access and evaluation standards, and strives to create a sustainable supply chain. During the reporting period, the company communicated the Anti-corruption Code of Conduct of Guoyuan Securities for Suppliers to all suppliers, with 100% transmission rate of relevant policies and procedures. Meanwhile, Guoyuan Securities actively supported economic development of local community and enhanced procurement budget of local community. During the reporting period, the company's procurement budget proportion for local suppliers was 37.8%.

100% transmission rate of anti-corruption relevant policies and procedures.

INFORMATION SECURITY AND PRIVACY PROTECTION

Corporate business process involves the collection and utilization of customers' personal information. If there are information security issues or privacy leaks, public trust in the company will waver, and in serious cases, the company will have to bear legal responsibility, because safeguarding data security and customer privacy is the company's responsibility. In order to prevent data security risks, the company has formulated Management Measures for Data Governance of Guoyuan Securities, Rules for Data Security Management of Guoyuan Securities and other policies to regulate the management of data collection, transmission, storage, utilization, exchange, destruction, permissions and security emergency response and incident handling to ensure coverage of all aspects of the whole life cycle. The company has specifically built a data governance organization structure to ensure corporate data security, and Risk Supervision Department has assigned a quality manager to audit the data for compliance and safeguarding the data security compliance requirements.

Data Governance Organizational Structure of Guoyuan Securities



Secure information system could effectively mitigate system and operational risks. Guided by "unified planning, graded deployment, active defense and comprehensive prevention", the company has formulated Management Measures on the Security of the Information System of Guoyuan Securities. And the company followed the principle of targeted responsibility to manage cybersecurity, hardware and software security, and to establish information system security and guarantee mechanism. Meanwhile, a leading team for stable and emergency response has been set up, headed by main principal of the company, to fully ensure corporate information system security. In the event of an emergency, the internal leaders of the leadership team, the Compliance and Legal Department, the Risk Supervision Department and the person in charge of the unit where the incident occurred and other relevant personnel are directly responsible for handling the emergency and providing post-event summary. During the reporting period, the company has revised Measures for the Safety Administration of Guoyuan Securities Information System and other systems.

Information security technology is ever-changing, and continuous training and learning helps individuals to make steady progress in technology and master the latest development and information. During the reporting period, the company has organized three information security training sessions to equip every employee with the latest cybersecurity information and related skills. In addition, regular training is conducted once a month for IT employees. The company organized 2 disaster readiness emergency drills for the whole company, 6 department-level trading system drills, and over 20 special drills for each system on a regular basis to respond to and identify potential network and information security threats in a timely manner, ensure safe and effective operation of internal systems, and prevent diverse information security threats and risks such as data leakage and cyberattacks.

The company respects and protects the privacy of its customers, and in accordance with The Personal Information Protection Law of the People's Republic of China, Data Security Law of the People's Republic of China, Cybersecurity Law of the People's Republic of China and other laws and regulations, it has formulated the Privacy Policy of the Internet Platform of Guoyuan Securities, and handles customer information when browsing corporate website accordingly. This policy is not only posted on the official website of Guoyuan Securities for all stakeholders, but is also notified in a pop-up window when users first switch on Guoyuan Dianjin App, whereby the user has to grant consent to the Privacy Agreement before successful log-in, so that all stakeholders have access to an open, clear and unambiguous privacy policy.



“ During the reporting period, there were 0 incidents of customer information and privacy leakage. ”

OPTIMIZING CUSTOMER SERVICE

Customer demand is the key to the service industry, and improving customer service helps improve core competitiveness of the company. Guoyuan Securities is committed to providing customers with first-class service in the industry. During the reporting period, the company revised Online Customer Service Business Guidelines of Guoyuan Securities, Mobile Phone SMS Release Management Measures of Guoyuan Securities, Online Account Cancellation Business Guidelines of Guoyuan Securities, Online Account Cancellation Business Process of Guoyuan Securities, Online Account Opening Business Implementation Rules of Guoyuan Securities, Customer Complaint Management Measures of Guoyuan Securities and other systems to optimize customer service processes and improve customer experience and satisfaction.

The company continues to improve service operation capability by integrating service content + data + intelligent tools, increasing the application of technology and professional capacity output, and combining with intelligent tools to empower omni-channel customer service.

Building intelligent customer service platform

Smart Customer Service

Employ intelligent robots and continuously maintain and improve intelligent customer service knowledge base system to provide omni-channel service at all time. At present, intelligent services account for 65%, and the hit rate of Q&A is 97% - 98%.

Intelligent Quality Inspection

Intelligent technology assists in managing the entire service process, covering 100% of the dialogue between service personnel and customers, helping to discover service blind spots and potential risks in a timely manner, and enhancing the capabilities of customer service personnel.

Intelligent Outbound Calling

Intelligent recognition of voice commands has been applied to a variety of service scenarios such as notifications and customer callbacks.

Intelligent Management and Control

Lay out all-channel and all-business intelligent management and control with reference to internet management mode and technology; timely deployment of headcount and reasonable resource allocation according to customer flow to save users' time.

Intelligent Audit

Help auditors improve the accuracy and effectiveness of off-site audits, facilitate customers' online operation procedures, and meet customers' diversified needs.

The company welcomes each customer's opinion. During the reporting period, in order to standardize customer complaint business process and properly handle customer complaints, the company revised the Management Measures for Customer Complaints of Guoyuan Securities, modified the retention period of relevant archival materials, and clarified which departments should perform three lines of risk management responsibilities for complaint handling; new contents such as complaint handling period and complaint handling training mechanism were also added to improve the customer complaint process mechanism. In addition, the company arranged irregular return visits to customers. The company formulated the Management Measures for Customer Return Visits of Guoyuan Securities and the Notice on Reiterating the Strengthening of Return Visit Data Utilization and Enhancing Customer Appropriateness Management to standardize the return visit process and make the best of such data for service improvement.

Customer complaints management process



Customer complaint handling rate: **100%**
Customer satisfaction rate of the company: **96.44%**

Customer satisfaction



FINTECH EMPOWERMENT

With the transformation goal of building a digital and intelligent company, Guoyuan Securities has formulated corresponding Wealth Management Digital Transformation Blueprint Plan, picked wealth management business as the pilot, and focused on the Company's 14th Five-Year Plan, to build a professional, comprehensive and first-class modern investment bank that grows together with clients, and to achieve large-scale high-quality sustainable development. The company will continue to promote digital transformation and provide quality products and services for customers.

Digital transformation project	Digitalization benefits for the company
Enterprise WeChat	The utilization rate is 98% and the number of new customers exceeds 160,000 at present. At the moment, the project has entered its second phase of construction planning and has been fully upgraded to the WeChat staff-side, which is intended to improve platform data analysis and SOP community operation capabilities based on the original foundation.
Automated Operations Platform	By means of rich customer tagging systems, we ensure accurate, real-time and comprehensive customer demand insight, operation decision generation and execution, and operation effect evaluation around the service objectives for more accurate and detailed customer service.
Cloud Counter	Business-oriented centralized operation, with annual iterative projects for business acceptance from different channels.
Financial Mall	By further upgrading the system and business architecture, middle office sharing, functional services, and operation and maintenance support, the financial mall will improve corporate wealth management transformation capability in terms of "full online sales + scenario wealth management + enhanced repurchase + operational transformation" from online to digital mode. At present, 90% of the development progress of the public offering has been completed in the first stage, and it is planned to complete the online trial after passing the recent test.
APP	During the reporting period, 12 version upgrades were completed, adding and optimizing over one hundred functions, and service scenario coverage continued to expand in terms of business. It mainly completed the switching of new transactions, Phase II of panoramic assets, double integration bill analysis, double integration exclusive page, personal information compliance reform and other functions. At the same time, the client side cooperated with the digital transformation project to transform the information center, the new version of the mall and the user center.
Retail Customer Information Center	We established a retail customer information center with information reuse, unified management, and information processing capabilities to meet the demands of different users for personalized information. At present, the information center has integrated corporate information sources for retail customers, including CLS.CN, Bolan Financial, xuangubao.cn, etc., and provided information services for Guoyuan Dianjin App and official website of Guoyuan Securities. At the same time, the information content was processed with the label, and the algorithm matched with the customer label to realize the intelligent recommendation of information.
User Center	The company connected to external channels such as Dianjin APP, Yuanhang/Linghang, Corporate WeChat and WeChat service account/public account through the new user center, and generated a unique identification code for all users who reach the company for the first time. Through the operation, analysis and improvement of all channels and all business modules of the users in the company system, the whole life cycle tracking service and marketing of the users could be realized, and the operation efficiency could be improved to realize the closed loop of the operation.
Rights and Benefits Center	The new rights and benefits center enables the company to coordinate and manage all kinds of corporate rights and interests on the one hand, and enhance online operation capability on top of the scoring system on the other hand.

FinTech Innovation Lab

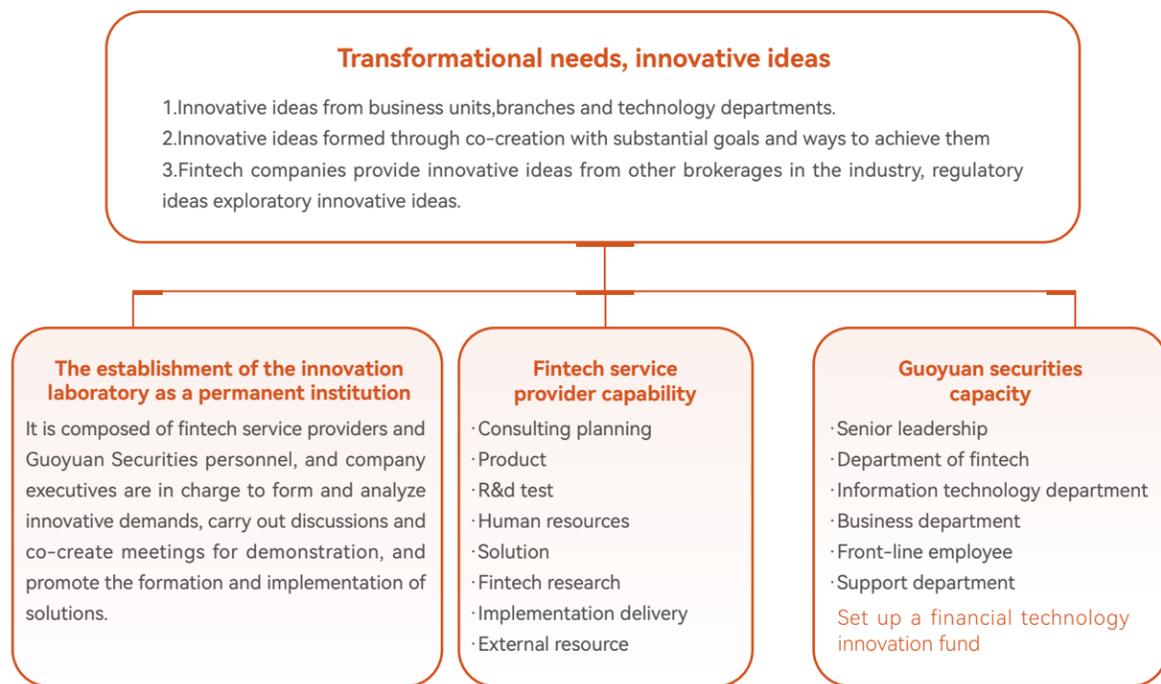


In recent years, the company has been improving the proportion of scientific and comprehensive talents and implementing differentiated remuneration to attract more talents. The company is equipped with a fintech innovation lab for subject research co-creation, serving as a bridge that integrates production, education and research for a digital ecological consortium. At present, the external alliances of the lab include well-known companies in the industry such as Shenzhen Kingdom, Hundsun and Huawei Cloud, while the internal alliances include subsidiaries such as Guoyuan Futures and Changsheng Fund.

During the reporting period, the lab formally launched the first batch of five project topics, with technical coverage of core financial technologies such as artificial intelligence and big data, and business coverage of investment research, investment advisory, brokerage, credit and other fields. The total investment was more than 10 million. Among all, two invention patents have been submitted for approval with the theme of Elastic Search-based Enterprise Search Technology Research; the topics Technology Empowered Comprehensive Financial Services for Brokerage Firms - A Study on Digital Transformation of Credit Business as an Example and Research on Forward-looking Asset Allocation Portfolio Based on Artificial Intelligence have been selected for the 2022 annual project plan of the Financial Technology Research and Development Center for Securities and Futures Industry (Shenzhen).

Three modes of innovation

1. Collaborative innovation of universities/high-tech companies: Algorithms, models, tool platforms
2. New business and fintech cooperation innovation model
3. Eco-innovation: working with infrastructure, digital systems and eco-partners

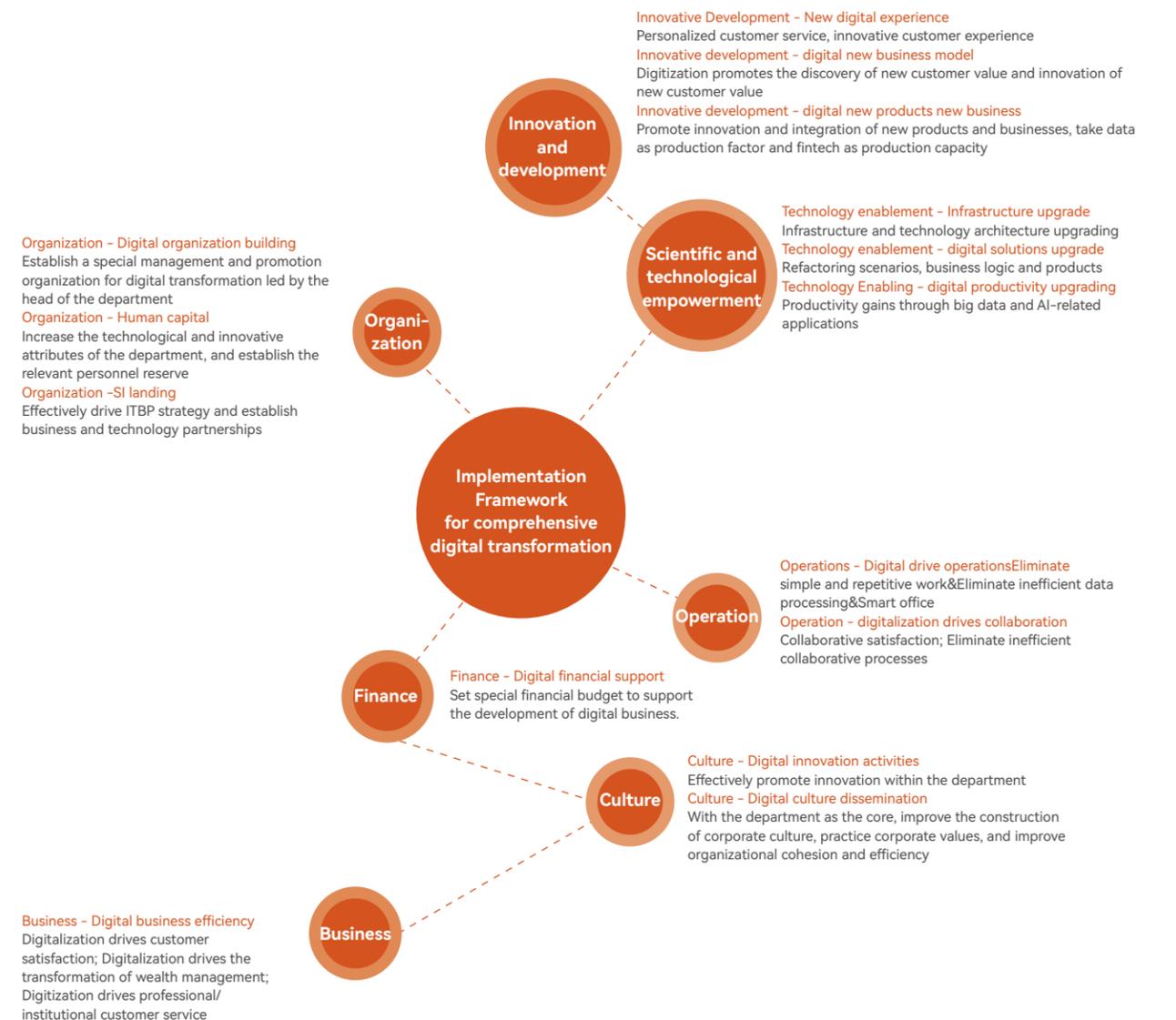


Co-create



Signing the Statement of Responsibilities for Digital Transformation Target

In March 2022, the President of the company signed the Statement of Responsibilities for Digital Transformation Target on behalf of the digitalization leadership team with 11 digital transformation departments, including private finance, online finance, operations, securities and finance, customer service, custodian and institutions, and the finalization of digital transformation of wealth management was incorporated into the annual assessment of relevant departments. The target responsibility statement comprehensively covers 7 major themes, including finance, organization, culture, operation, innovation and development, and technology empowerment. Digital financial support was employed to examine the financial investment of each department in digital transformation; digital organization, HR capital in technology and SI landing were employed to examine the construction of digital organization; digital business efficiency was employed to observe the impact of digitalization on business; digital operation and collaboration was employed to comprehensively improve operational efficiency; new experience, new products, new business and new models were emphasized to observe digital innovation in each department; finally, digitization projects were employed to promote implementation of technology empowerment.



Building Digital Transformation Project

The company has initiated and continued to build over thirty digital information technology projects, i.e. six centers, including user ecology center, collaborative operation center, business support center, shared service center (SSC), data intelligence center and technical support center. We gradually completed the goal of evolution to intelligence and ecology based on the "six centers" and digitalization.

Six work centers to accumulate digital achievements

 User ecological center	Guoyuan Dianjin APP Digital employee terminal	Guoyuan Dianjin APP: Get through to the data center, enable AI and automate operation. Digital employee terminal: Guoyuan Tongban and Guoyuan Tongcai.
 Collaborative operation center	Customer operation: Automated operation +C5+ intelligent customer service Product operation Investment management: traditional investment management + fund investment management + capital allocation system	Through the automated operation platform, the 3A3R digital-driven operation methodology is practiced to realize the scenario-based customer operation product operation, and the online and offline collaborative operation is realized through the investment management operation
 Business support center	Cloud counter PAD exhibition industry Intelligent BOP Intelligent business management system Digital employee	Improve the office efficiency of tellers with the help of intelligence, improve the business handling experience of high net worth and institutional customers with mobile PAD, and promote the service experience of two melting customers with the help of thousands of personalization.
 Shared service center	User center Customer center Product center Account center Employee center Information center Rights and interest scenter Strategy center	Shared reuse, efficient collaboration, continuous accumulation, agile innovation
 Data intelligence center	Data center Real-time data bin Marketing bazaar Artificial intelligence Innovation laboratory	Integrate data resources, promote the process of corporate data governance, mine the value of data assets, and combine the scene landing intelligent tools and services.
 Foundation support center	New infrastructure (infrastructure) New infrastructure (technology platform)	Comprehensively upgrade the technical base, establish an organization-level agile mechanism, and form a new foundation for the steady progress of digital transformation.

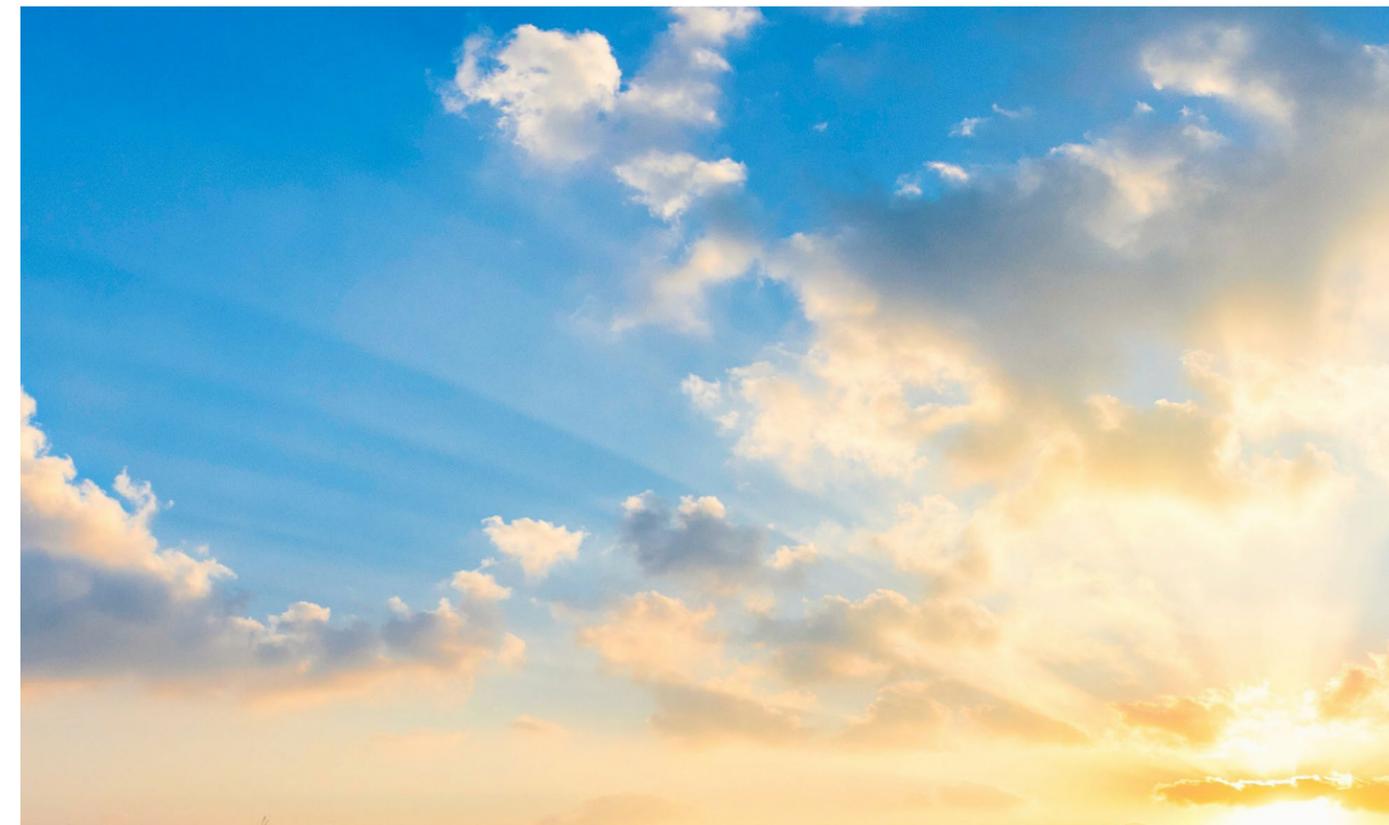
ESG RESEARCH ACHIEVEMENTS

In 2022, the Company undertook the project of the Securities Sub-Technical Committee of the National Financial Standardization Technical Committee, "ESG Information Disclosure Standards for Listed Companies Based on Empirical Analysis Research on ESG Information Disclosure Standards for Listed Companies Based on Empirical Analysis", and actively conducts research on ESG information disclosure in the industry.

In 2022, nearly 2,000 research reports will be released externally, and more than 300 internal reports will be published, including more than 1,000 industry reports, and nearly 200 industry in-depth research reports.

The research report of the company's strategy team "Investment Opportunities under the Background of Carbon Neutrality", the internal research results of the Dianxin team "Carbon Neutral Industry Research" (including wind power, photovoltaics, new energy, etc.), the internal research results of the food and beverage team "Green Integrative Research on the Food Industry" and the blue book series of participating Anhui listed companies, etc., have conducted in-depth research on ESG-related fields such as carbon neutrality and green industry.

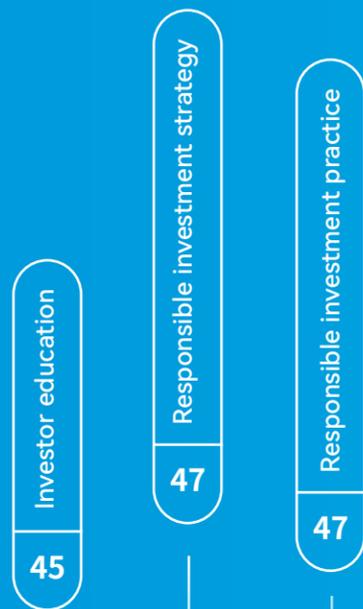
For the company's core customer service, the company's self-developed, real-time maintenance and upgrade of the "Guoyuan Research" applet involves "daily morning newspapers, weekly selections, key industry outbound reports" and other content, covering macro strategies, metalworking, biomedicine, computer science, etc., Electric new automobile, food and beverage, light industry retail, communication electronics and other industries issued reports. According to the investor classification of institutional customers, within the scope of compliance framework, provide customers with professional research services and data reference.



ESG

SPREADING INFLUENCE AND PRACTICING RESPONSIBLE INVESTMENT

SPREADING INFLUENCE AND PRACTICING RESPONSIBLE INVESTMENT



Contribution to UN SDGs:



Goal 9: Industry, Innovation and Infrastructure
 Improve corporate ESG risk management system and integrate the concept of responsible investment into all aspects of corporate business operations.

INVESTOR EDUCATION

The company insisted on the concept of investor education in accordance with "integrated planning, gradual progress, headquarters and branches interaction, and perseverance". The company strengthened the integration of investment education services and business development, through multi-channel, multi-level investment education promotional activities. It also tried to highlight the focus, demonstrate brand characteristics, improve overall customer service level and promote various business development.

The investor education base adopted the approach of "headquarters and branches interaction", organized and launched rich and diverse public welfare investment and education activities and brand publicity to help investors rationally invest. During the reporting period, the company promoted the establishment of three new investor education bases in Liu'an Jinzhai, Yeji and Suzhou Xiao County by taking account of regional distribution and differentiated functional positioning. Investor education activities served as a link to connect customer service, business promotion, brand promotion and other business chains, forming a reasonable closed loop in which investment education, service and promotion were inter-connected, supported and promoted.

In 2022, the Company formulated the Guidelines for the Construction of Investor Education Bases for Branch Investors of Guoyuan Securities to further enhance the coverage and quality of corporate investor education services, so as to help investors correctly understand their own risk tolerance range and investment objectives, advocate the concept of rational investment and effectively protect the legitimate rights and interests of investors.

Investor education of the company

- 1 Emphasis from the leaders, with strong implementation:**
The company's retail line hosted 8 meetings related to investor education; the expenses of investor education amounted to nearly 18 million.
- 2 Effective implementation of the regulator's special assignment for investor education:**
Over 30 special activities of investor education were carried out, including March 15th Education Activities for Investor Protection, May 15th National Publicity Day for Investor Protection, Financial Publicity Month, World Investor's Week, Annual Reports for 200 million Investors, "Embark on a new journey of investor education", "Investor education in 100 schools", "Investor's Week" hosted by Shanghai and Shenzhen Stock Exchange, "About Shareholders", "What is a shareholder?" - investor's visit to listed companies, investor education on convertible bonds and all kinds of special assessments and surveys.
- 3 Investor education activities through multiple channels:**
 - During the reporting period, the company further integrated online investor education resources, giving full play to the advantages of the online platform, i.e. multiple publicity channels, wide coverage and high public acceptance, with 10 million participants in online investor education activities;
 - The company launched over 1,500 investor education products including graphics, videos, posters, TikTok and materials;
 - National entity investor education base of the company was rated as "good";
 - Provincial Internet investor education base was rated as "excellent".

Strengthen school-enterprise collaboration to promote the integration of industry and education

- 1 Investor Education in 100 Schools - Signing Ceremony of School-Enterprise Collaboration between Guoyuan Securities and Anhui Jianzhu University**
- 2 Investor Education in 100 Schools - Investor Education Base of Guoyuan Securities Introduced to Hunan Dahan Technical School**
- 3 Online and offline campus activities, such as Huixue Wealth Management, Contribution to Hometown, Practical Training Camp, off-campus classes and campus lectures were hosted.**



Investor education enters 100 schools——Guoyuan Securities and Anhui Jianzhu University School-Enterprise Cooperation Signing Ceremony



CASE | Thematic Activity of Investor Education in the Community

In order to protect the vital interests of investors, in August 2022, Guoyuan Securities, together with Taoyuan Police Station and Pearl Garden Community, hosted a seminar under the theme of "popularizing financial knowledge and creating a better life together." During the seminar, definition, characteristics, methods and real cases of illegal financial activities were introduced to the community, and hazards of illegal financial activities were exposed. In this way, the target audience would be aware of the importance of rational investment and long-term investment. This activity effectively met the needs of investors in real life, and contributed to the healthy development of the capital market.



The Activity of "Popularizing Financial Knowledge, Creating a Better Life Together"

RESPONSIBLE INVESTMENT STRATEGY

Since ESG was incorporated into corporate strategy from 2020, the company has been committed to ESG responsible investment and building investment theory, investment strategy and practice system in line with its own real condition in terms of principles, system, communication and practice of responsible investment in strict accordance with relevant requirements of ESG Responsible Investment Guidelines of Guoyuan Securities throughout the years. Corporate investment strategy was formulated with reference to the seven ESG investment approaches developed by the Global Sustainable Investment Alliance (GSIA), and ESG factors, including climate, were included in the investment portfolio, such as the application of negative exclusion, positive screening, ESG factor integration, sustainable development thematic investment and other responsible investment strategies, so as to promote the organic integration of responsible investment concepts with corporate investment business.

During the reporting period, the company revised the procedural documents related to investment and financing business, and supported green transformation enterprises responding actively to climate change, biodiversity conservation and energy transformation in the process of investment and financing business.

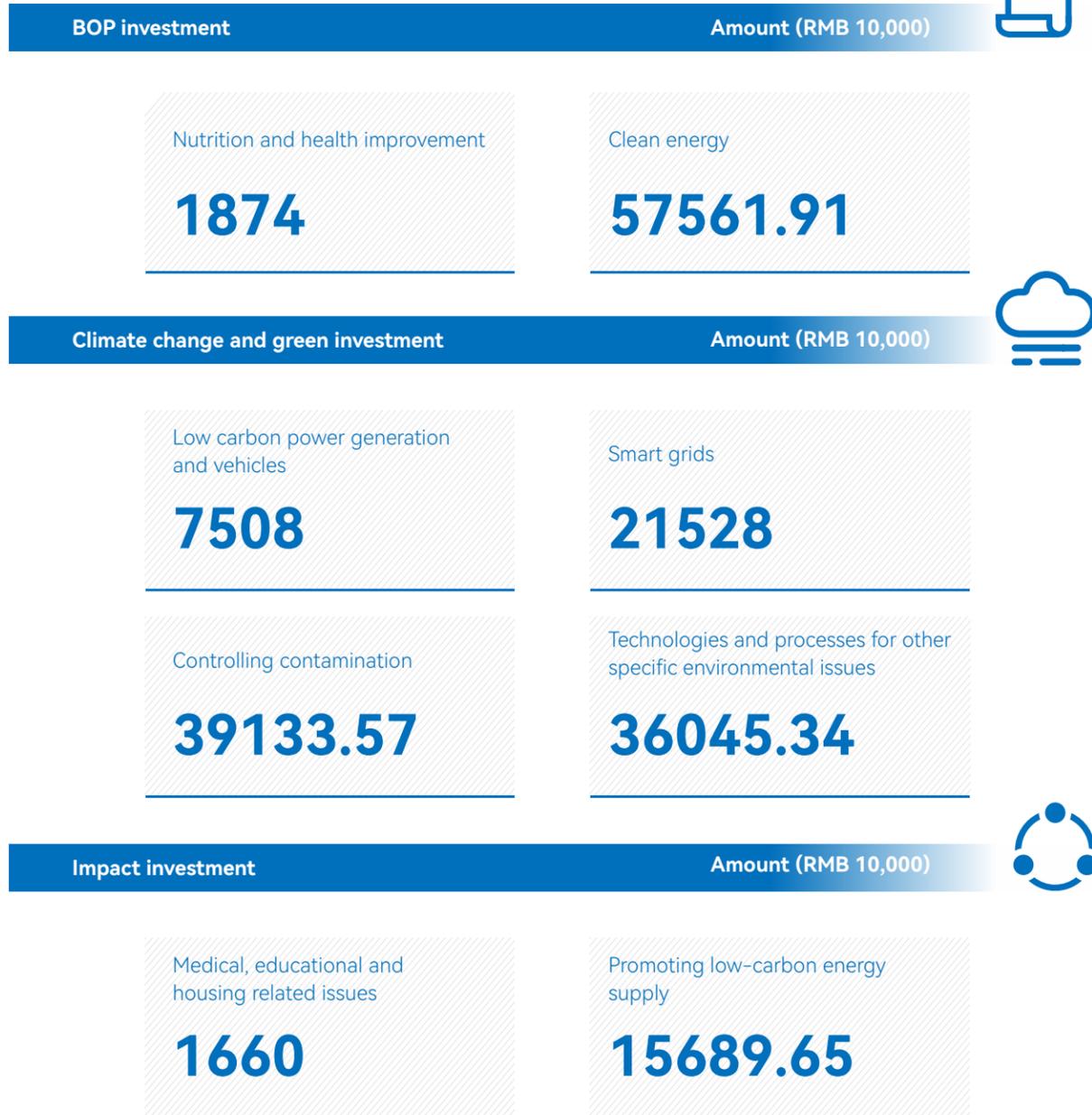
RESPONSIBLE INVESTMENT PRACTICE

The company gave full play to its business advantages and supported the development of green and sustainable industries through multi-channel and multi-type green investment and financing instruments. During the reporting period, the company proceeded to revise the Implementation Rules for Access to Stock Pledge-style Repo Program of Guoyuan Securities, the Management Measures for Due Diligence of Stock Pledge-style Repo Transaction Business of Guoyuan Securities and other investment-related institutional documents, and incorporated ESG factors into the Management Measures for Equity Self-dealing Securities Pool of Guoyuan Securities, ensuring integration of responsible investment into all aspects of corporate business.



Investment strategy	Specific measures and practices for 2022
ESG factor integration	Customer ESG due diligence evaluation system was embedded in the due diligence of financing, investment banking and equity investment business to ensure mutual integration of business development with ESG and credit risk control and management. During the reporting period, 2.5% of new financing was provided for the clean energy industry through stock pledge business; 17.5% of new financing was provided for the rural revitalization infrastructure construction in the real economy through repurchase business.
Investment in sustainable subjects	Wind power photovoltaic technology, emission reduction projects, equity investments related to emission reduction projects, debt investments and investments in other carbon-related assets, etc. were prioritized.
Corporate engagement/ Shareholder action	The company encouraged invested enterprises to focus on climate change related performance and improve carbon emission disclosure, including carbon reduction process and targets.
Impact/Community investment	The ESG evaluation included the whole process of bond screening, risk assessment, pricing, and post-investment management. On the basis of meeting the requirements of product contracts, emphasis was placed on promoting projects such as green bonds and rural revitalization bonds.
Criteria-based screening	The company adopted SA8000, ISO 45001, BSCI, SLCP and other social responsibility standards to evaluate the social performance of the invested object, and ISO14001 to evaluate the environmental performance of the invested object. With prioritized investment in companies with sound environmental, occupational health and social responsibility management systems, China Securities 800 ESG was taken as a performance benchmark.
Positive screening method	In the selection of subject industries for investment, the company focused on those that fit well with the ESG concept, such as the wind power photovoltaic technology and emission reduction projects, equity investment and debt investment related to emission reduction projects, and other investments involving carbon assets, etc.
Negative exclusion method	A composite ESG score from a third-party ESG database was adopted by the company, with seven levels from CCC to AAA. The addition of non-B-level and above varieties to the securities pool was subject to strict research and approval procedures to avoid investing in companies that is socially harmful.

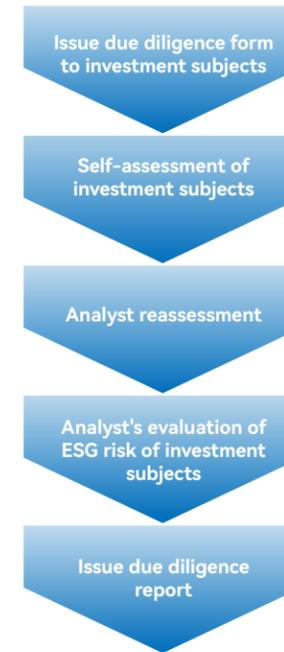
Responsible investment performance



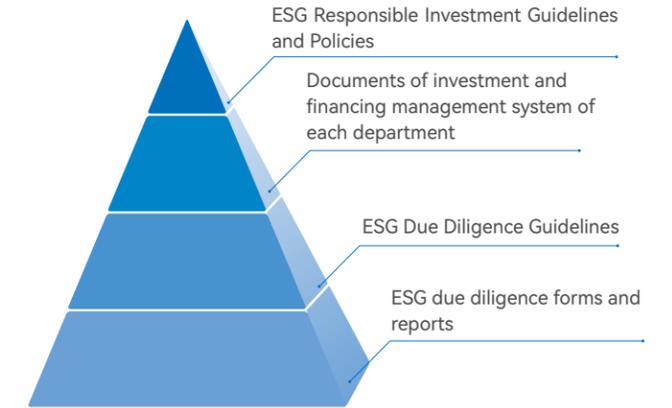
Framework of due diligence system

To further improve corporate ESG risk management system and integrate the concept of responsible investment into all aspects of corporate business operations, the company revised its due diligence evaluation system and added a new ESG due diligence evaluation form to integrate the ESG due diligence management mechanism into relevant departments of corporate headquarters and subsidiaries to ensure accurate identification, assessment, monitoring and full management of potential ESG risks in each business activity.

ESG Due Diligence Process of Guoyuan Securities

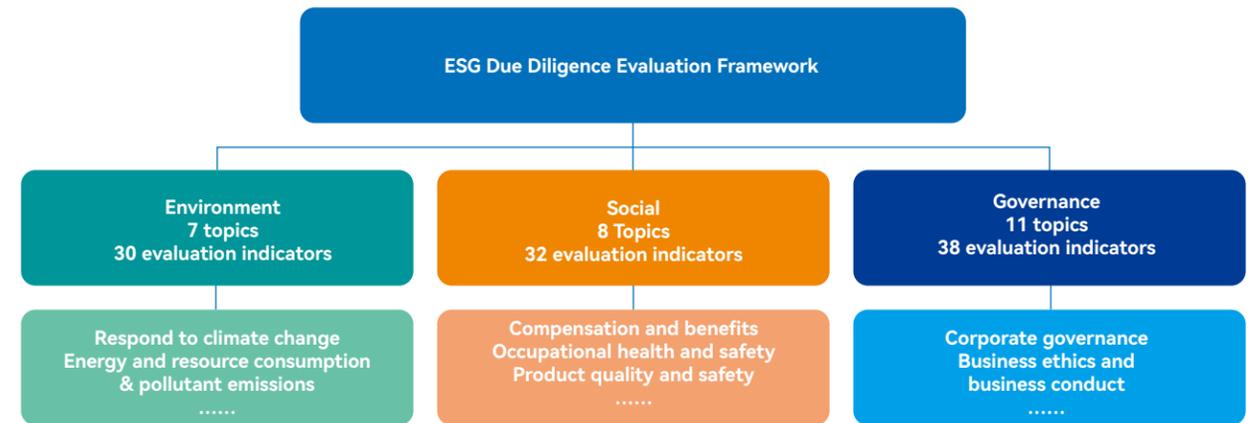


ESG Due Diligence Evaluation System of Guoyuan Securities



We conducted due diligence on investment and financing subjects from three dimensions: environmental, social and corporate governance, covering a total of x substantial topics and x evaluation indicators.

ESG Due Diligence Evaluation Framework



Scope of application of ESG due diligence: :

Integrate ESG due diligence evaluation requirements into corporate asset management, equity investment, fixed income investment, equity pledge and agreed repurchase, alternative investment, privately offered funds and other businesses to ensure full coverage of business processes.

ESG risk evaluation:

The final due diligence score would be downgraded if a significant negative ESG event has occurred and has not been addressed and resolved.

Seek thematic and impact investment opportunities

ESG thematic fund

During the reporting period, Guoyuan Securities introduced a total of 40 pan-ESG-related underlying public funds (including non-initial funds). The company introduced 12 ESG thematic funds, including Hua'an Carbon Neutrality Theme, Western Leadbank Green Energy, Guangfa New Energy Selections Jingshun Great Wall ESG Quantitative, etc.



ESG public offering goods

There were 411 pan-ESG investment public offerings (all OTC funds including non-initial funds) in the whole market, and the company distributed 40 ESG public offerings. Combining product performance and retracement performance, the company classified the top third of the best ESG funds as "dark green", the middle third as "light green", and the bottom third as "others". Compared with the ESG funds distributed by the company, the ESG rating of the products distributed by the company was basically similar to the market rating, with 11 "dark green" funds, 12 "light green" funds and 17 "others" funds in 2022. When introducing ESG funds and products in the future, the company will focus on the "dark green" category, pay appropriate attention to "light green" category, and track the overall performance of "others" category.

CASE | Responsible investment training of Guoyuan Securities



In order to adapt to the ESG trend, meet inherent development needs and fulfill its responsibilities, the company deepened its practice of ESG concept. In order to enhance responsible investment, the company has established a ESG analyst team with 7 members to incorporate ESG elements in the pre-backdating stage. The company would track, analyze and monitor ESG performance of investment targets by integrating ESG factors into corporate business. During the reporting period, corporate training took responsible investment as the theme, covering ESG investment side, ESG assessment index system and ESG system application, etc., so as to continuously improve the ESG risk management awareness and responsible investment concept of relevant staff.

CASE | TCFD special training on climate change

Fully aware of the impact of climate change on the global economy, Guoyuan Securities actively practiced the concept of responsible investment to improve climate change awareness and promote expertise of local communities and corporate employees, and to seek opportunities for product development in this regard. In December 2022, investor education base of the company provided online knowledge training on climate change risks. All employees participated in training on climate change risks.



Online Training Activities on Climate Change

CASE | Guoyuan Securities Cup - Financial Innovation Investment Competition for Undergraduates of Anhui Province



From April to May 2022, the 7th Guoyuan Securities Cup - Financial Investment Innovation Competition for Undergraduates of Anhui Province, sponsored by Anhui Provincial Department of Education, organized by Anhui University of Finance and Economics and co-organized by Guoyuan Securities, was successfully unveiled. The competition had four competitions, including virtual simulation of stock trading, financial investment strategy design, feasibility analysis of company listing and fintech product design. The competition has been certified by Anhui Provincial Department of Education as a Class B discipline and skill competition. It has attracted 76 universities from inside and outside the province, and a total of 13,630 teams participated in the competition. The total number of participants was 51,956, with views 483,593 of the virtual simulation trading platform of the stock. This event is also the largest securities college knowledge competition in China.



Financial Innovation Investment Competition for Undergraduates in Anhui Province

ESG

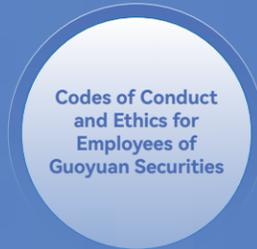
CREATING SHARED VALUE WITH PEOPLE-CENTERED PRINCIPLE

Talent is the core asset of the company, and employees are the core driving force of corporate development. The company follows the ten principles of the United Nations Global Compact and actively aligns its actions with the United Nations Sustainable Development Goals. It always respects and protects the equal legal rights and interests of all employees in recruitment, compensation and benefits, training and development, etc., recognizes and treats every employee equally, and works together with employees for win-win development.

Integrity practice and compliance

Zero tolerance for corruption and unethical business practices

No discrimination or abuse



Forced labor and slave labor are strictly prohibited

Sexual harassment in the workplace is strictly prohibited.

Respect employees' freedom of association and freedom of expression.

55 Commitment to equality and diversity

58 Commitment to employee development

60 Corporate welfare for happy workplace

Contribution to UN SDGs:



Goal 3: Good Health and well-being

The company is concerned with the health and well-being of each employee and actively improves and enriches employee compensation and benefits system.



Goal 5: Gender equality

Equal pay for equal work for both men and women to build fair working environment. Protect rights of female employees and offer equal promotion opportunities for them.



Goal 8: Decent work and economic growth

The company is committed to creating an inclusive and diverse workplace. We strongly oppose all forms of discrimination, harassment, coercion, threats and violence at the workplace. The company opposes all forms of illegal employment and respects and protects the basic rights and interests of its employees. Provide competitive compensation for employees.

COMMITMENT TO EQUALITY AND DIVERSITY

Talent loss means an increase in corporate recruitment cost, which may have a short-term impact on the normal operation and business continuity of the company; a comprehensive rights and benefits protection mechanism can stimulate the motivation and creativity of employees and create more financial benefits for the company. The company insists on people-oriented principle, strives to protect the basic rights and interests of employees, and implements a democratic two-way communication management mechanism to help employees and the company grow together. During the reporting period, a total of 7 employee congresses were held.

Attracting and retaining talents

The company has formulated the Management Measures for the Recruitment of Employees of Guoyuan Securities. The company provides equal interview opportunities for candidates who meet the job requirements in accordance with the principles of fairness and openness and criteria of "recommending talents with capabilities" and "recommending talents with moral integrity and skills", and opposes any discrimination during employment.

During the reporting period, the company organized a total of 56 recruitment fairs, including 29 external recruitment fairs and 27 internal recruitment fairs. The company introduced 19 high-end talents such as core personnel of branches, lead researcher, research sales, and professionals in bond contracting and fintech by signing targets and tasks. During the reporting period, 269 new employees reported duty; 156 employees left the company. The employee recruitment rate was 6.79% and the turnover rate was 3.94%.

2022

Organized **56** recruitment fairs

Introduced **19** high-end talents



Performance of Employee Recruitment Rate				
Year		2020	2021	2022
Total employees		3529	3688	3964
Gender	male	176	202	164
	female	149	112	105
Age	< 30 years old	189	177	149
	30 - 50 years old	132	136	120
	>50 years old	4	1	0
Total new employees		325	314	269
Employee hiring rate		9.21%	8.51%	6.79%

Performance of employee turnover rate				
Year		2020	2021	2022
Total employees		3529	3688	3964
Gender	male	111	99	93
	female	78	72	63
Age	< 30 years old	44	51	40
	30 - 50 years old	115	92	75
	>50 years old	30	28	41
Total number of employees leaving		189	171	156
Turnover rate		5.36%	4.64%	3.94%

During the reporting period, the company actively interacted with external parties, took the initiative to expand the channel of talent selection and recruitment, and fostered school-enterprise collaboration, reserving a high-quality talent pool for corporate development and consolidating the cornerstone of sustainable development of talents in an all-round and multi-dimensional way.

CASE | School-Enterprise Collaboration Agreement between Guoyuan Securities and Anhui University of Architecture



In August 2022, Investor Education Base of Guoyuan Securities, together with Economics and Management College of Anhui University of Architecture, signed a school-enterprise collaboration agreement and unveiled a plaque for the investor education base. This event opened a new chapter for "school-enterprise collaboration for mutual talents". In the future, the two parties will deepen their cooperation in the fields of industry-university research, talent training, base construction, internship and employment



Diversified employment

The company strictly follows the requirements of the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China and other laws and regulations. In accordance with the principles of fairness, justice and openness, we firmly oppose discrimination against employees based on gender, age, marital status, race, skin color, religion and other factors, advocate equal and non-discriminatory employment policies, and oppose any form of child labor and forced labor, in order to create a fair and legal employment environment. During the reporting period, there were no incidents of child labor and forced labor.

As of the end of the reporting period

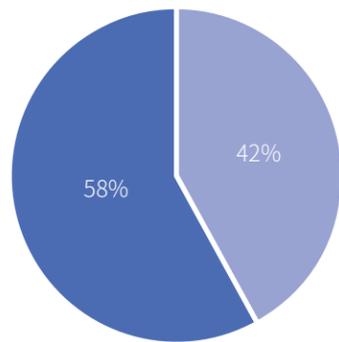
3,964 employees

125 dispatched workers

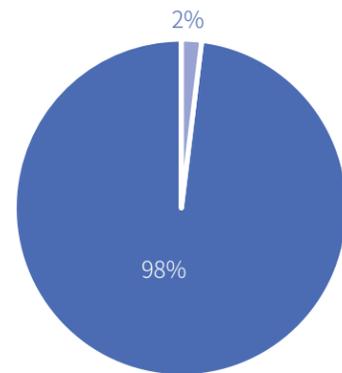
As of the end of the reporting period, there were 3,964 employees and 125 dispatched workers. Amongst permanent employees, 58% were male and 42% were female; 2% were ethnic minority employees; 21% were under 30 years old; 66% were between 30 and 50 years old; and 13% were over 50 years old. The total number of members of corporate governance body (directors, supervisors and executives) was 26, of which 23 were male and 3 were female; 38% were aged 30 to 50; 62% were aged 50 or above. In the future, we will continue to increase the proportion of female members in our governing bodies and pay more attention to the gender balance in our governing bodies so as to provide more equal development opportunities for women.

Diversity of Employees

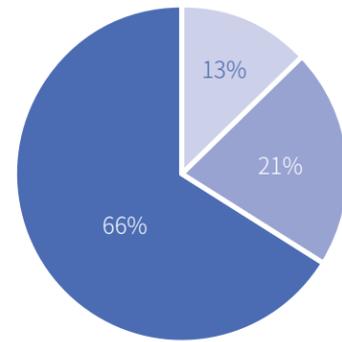
Percentage of employees by gender



Percentage of employees by ethnicity



Percentage of employees by age



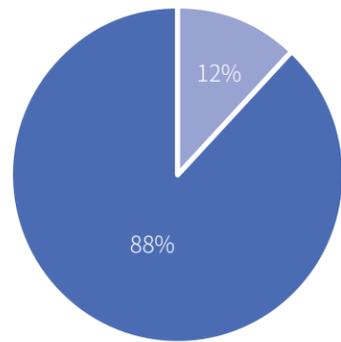
Male employees
Female employees

Han employees
Ethnic minority employees

30 - 50 years old
<30 years old
>50 years old

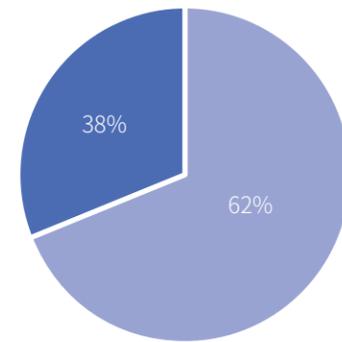
Diversity of Governance

Percentage of governance body by gender



Male
Female

Percentage of governance body by age



30 - 50 years old
>50 years old

COMMITMENT TO EMPLOYEE DEVELOPMENT

The company continued to open up promotion channels, carried out diversified training, and created a diversified growth platform to meet the needs of career development and personal growth for all employees, so that they could unleash their personal value in growth with the company.

Establishing learning corporate culture

The learning corporate culture takes the common vision of strategic development goals shared by all employees, and promotes employees' self-improvement through learning and practice, so that employees could be equipped with systematic thinking and the company could achieve sustainable development along the way. Guoyuan E-Learning, corporate online learning platform, provides high-quality educational resources and opportunities for all departments to share their advanced work experience and achieve common growth of all employees through a series of interesting training courses.

Training and learning on Guoyuan E-Learning platform

Year	2020	2021	2022
Number of participants	4510	2930	3707
Completed hours for learning	188840.8	63857.09	105441.8

During the reporting period, the company continued to provide a series of training for all employees engaged in institutional business, with case and experience shared by senior management, department and branch heads. The purpose was to ensure shape atmosphere that encourages continuous learning and experience sharing, enable employees and teams to learn and establish learning corporate culture.

CASE | Joint Launch of Audio Library Column with Himalaya App to leverage online training resources

The company cooperated with Himalaya App to launch the Audio Library Column on Guoyuan E-Learning platform, providing over 300 audio books, over 800 lecture books and over 400 free courses, providing a channel of classic audio books, improving professional skills and comprehensive education of all employees, and continuously promoting the development of a learning organization.

Provide over

300 audio books

800 lecture books

400 free courses



Audio Library Column on Guoyuan E-Learning Platform

Training on professional skills and sustainable development

Talent development is the basis for corporate development. Talent is the driving force of corporate sustainable development. We provide a tailor-made training system in various categories and levels, and offer diversified online and offline training sessions to match relevant development goals, so as to ensure mutual development of employees and the company alike.



Talent Training System of Guoyuan Securities:



Training of new employees

We adopted a combination of online and offline training to help new employees understand corporate culture, familiarize themselves with corporate rules and regulations, adapt to the work environment, and enhance their sense of belonging and responsibility.

Institutional business training for all employees

The company fully took advantage of the key role of training in promoting the smooth transformation of corporate institutional business by developing a training program for all staff engaged in the sector. Since June 8, on-site + video + webcast training sessions have been provided once a week on Wednesdays, with each training session lasting 2 and a half hours, and corporate leaders and business department heads serving as facilitators. As of the end of the reporting period, 23 training sessions have been conducted, with over 76,000 participants and a per capita training duration of 57.5 hours.



Institutional Business Training for All Employees

Development of young talents

Young talents represents the backbone of Guoyuan Securities, and the company has been committed to cultivating young talents. In 2022, we have assigned mentors for over 260 young talents, selected a number of outstanding young talents to work in branches, and arranged for new employees at headquarters to work and grow on the front line of operation.

Enhancement training of professional competence

In 2021, the company launched Guoyuan Elite Program to assist the team building of branch marketing and service staff. The course system was divided into elementary, intermediate and general courses, where each branch was required to assign relevant staff to study online with regular inspection. During the reporting period, a total of 3,062 employees participated in the courses, with a total of 147,793.12 hours in duration (48.2 hours per capita), and a total of 293,652 sessions completed.

Online training for investment advisors

From September to November 2022, the company provided online training courses for junior and intermediate investment advisors in line with core investment and advisory knowledge, to improve the comprehensive ability of customer service and train a group of new, professional and sophisticated investment advisors in different levels and stages.

SHAPING A HAPPY WORKPLACE

The company is committed to creating a fair, equitable and inclusive working environment for all employees and helping them develop their careers by continuously improving our talent management and cultivation system.

Employee performance and appraisal

The company is committed to building talent ladder, focusing on cultivating young talents, cultivating reserve cadres, and providing equal career promotion opportunities for all employees. We conducted performance appraisal for employees in fair and scientific manner. By the end of the report period, all departments have set scientific and reasonable assessment goals, so as to bring 100% employees into the performance evaluation mechanism. The company has established a salary management system with equal emphasis on incentives and constraints, and ensured dynamic salary management in accordance with the principles of "setting salary on the basis of capabilities, prioritizing efficiency and effectiveness, and balancing fairness, incentives and constraints" to ensure that the overall salary of the company is competitive in the talent market.

CASE | Take advantage of MD functional rank reform to promote corporate effectiveness and efficiency



Guoyuan Securities continued to deepen the reform of functional rank system, and the company further revised the Interim Measures for MD Rank Management. From 2020 to 2022, the current phase of MD functional rank reform, benefiting all employees, was successfully completed and continue to take effect after efforts in system revision, functional rank and salary change, implementation and continuous improvement.

Functional rank structure presented in a matrix

The company determined four function sequences and seven ranks of the system, i.e. four horizontal sequences of "business, profession, skills, management", and each horizontal sequence was divided into seven vertical ranks in accordance with the education background, professional focus, work experience, qualifications, capability and quality, performance and contributions, etc.

Setting function qualifications in a scientific way

For better management of the sequences, the company prepared functional rank corresponding table for department sequence management and functional rank corresponding table for securities business department management; in terms of business sequence, professional sequence, and skill sequence, five dimensions were taken into consideration in determining qualifications for each function, i.e. education background, work experience, qualifications and competencies, knowledge and skills, and performance appraisals.

Reasonable expectations of adjustment rules

With visible and transparent function qualifications, employees could plan their careers against corresponding standards, and achieve promotion through their own efforts. During the reporting period, the company promoted 321 employees in functional rank, 210 employees in functional grade and 1,006 employees in salary according to the Interim Measures for MD Rank Management and the Measures on Salary Management, as well as the results of their annual performance appraisals. In the future, the company will continue to improve MD functional rank system, optimize overall function management, improve market-oriented operation mechanism, promote corporate effectiveness and efficiency, and ensure high-quality development in a stable and steady manner.

Promoted **321** employees in functional rank

Promoted **210** employees in functional grade

Promoted **1,006** employees in salary according

**Employee welfare
and health
management**

The company provides social pension insurance, unemployment insurance, work injury insurance, medical insurance, maternity insurance and housing fund for employees according to relevant laws and regulations of the state and local governments. The company will also provide various forms of supplementary pension insurance and corporate annuity for employees. On the basis of general medical insurance, the company provides employees with supplementary medical coverage according to the actual situation. Employees are entitled to various types of leaves as set forth by the country (annual leave, family visit leave, sickness leave, work injury leave, marriage leave, maternity and paternity leave, bereavement leave, personal leave, etc.). During the reporting period, there were three work-related minor accidents, and no employees were diagnosed with occupational diseases. According to the provisions of the company's Employee Stock Ownership Plan, all employees of the company can participate voluntarily. The company established and improved the benefit sharing mechanism between workers and owners, improved the unity of employees and the competitiveness of the company, and promoted the common development of the company and individuals.

Performance of Parental Leave		2020	2021	2022
Year				
Number of employees entitled to parental leave	male	2297	2183	2315
	female	1232	1505	1649
Number of employees taking parental leave	male	27	34	49
	female	82	67	85
Number of employees expecting to return to work after parental leave	male	27	34	49
	female	82	67	85
Number of employees returning to work after parental leave	male	27	34	49
	female	82	67	85
Number of employees still on duty 12 months after the end of parental leave	male	27	34	48
	female	79	67	82
Returning rate of employees taking parental leave	male	100%	100%	100%
	female	100%	100%	100%
Retention rate of employees taking parental leave	male	100%	100%	98%
	female	96%	100%	96%

In addition, the company attached great importance to the work-life balance of its employees, and various cultural activities were organized to enrich employees' leisure time, relieve their work pressure and create a relaxed and warm workplace.



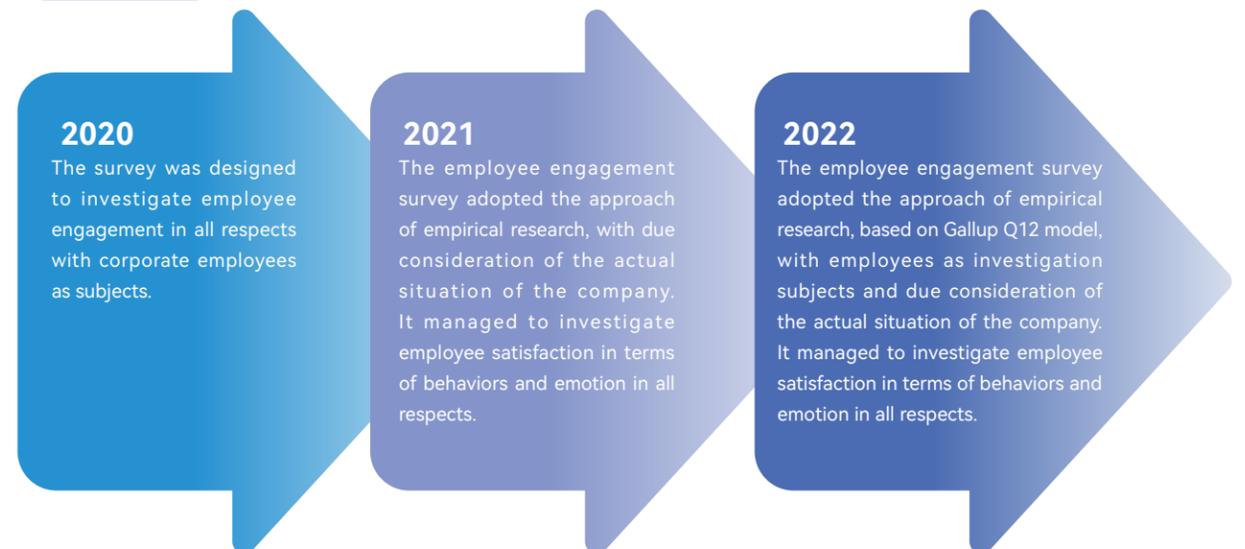
Bond Business Headquarters Department hosted training and development activities for all employees



Investment Bank Headquarters Department hosted team building activities

**Employee
Engagement**

During the reporting period, the company conducted a survey about working environment and employee engagement, where the average score turned out to be 44.01 points.



CASE | Fire Drill under the theme of "Cherish Life, Keep Away from Fire"

In June 2022, The headquarters organized fire safety knowledge training and fire drill for 2022. Through fire training and drill, the company managed to enhance the awareness of fire safety among employees, improve the ability to address emergencies, ensure correct use of fire extinguishers and methods of escape, enhance basic safety efforts, and protect the lives and health of employees.



Annual Fire Drill

ESG

COMMITMENT TO LOW-CARBON DEVELOPMENT TOWARDS NET ZERO EMISSIONS

The company is fully aware that climate change has become a challenge and a problem that global enterprises must face up, and has formulated Carbon Peaking, Carbon Neutrality Action Plan of Guoyuan Securities (hereinafter referred to as the "Action Plan"). According to the action plan, we have proposed short-, medium- and long-term implementation programs, making the best of corporate influence to reduce greenhouse gas emissions from its own operations. It aimed to protect natural ecological resources while promoting the low-carbon transformation of investment and financing entities in the course of financial activities.

TCFD theme
67

Developing green finance
70

Contribution to UN SDGs:



Goal 13: Climate action

The company continues to develop green finance, guide relevant enterprises to focus on green, low-carbon and energy-saving fields through sustainable finance activities, help environment-friendly enterprises to speed up their IPOs, encourage energy-saving and innovative enterprises to accelerate their financing process, and help energy-saving and emission reduction-related enterprises to develop so as to slow down global warming.

Our goals



5% reduction in annual per capita greenhouse gas emissions;
By 2040, the company will achieve carbon neutrality at the operational level (Scope I + Scope II).

Our strategy

Short-term actions:

- Develop annual energy-saving renovation plans for offices to ensure energy conservation and consumption reduction
- Lease green building for offices
- Implement intelligent business and promote digital transformation
- Promote green office and reduce resource waste
- Continuously develop ESG, carbon neutral related financial products

Mid-term actions:

- **100%** green building certification of new office buildings
- Purchase green power to increase utilization of new energy in business operations
- Prioritize procurement of green low-carbon products
- Require investment subjects to set carbon reduction goals and disclose relevant process in various phases
- Perform carbon trading financial business and improve green financial solutions

Long-term actions:

- Develop carbon performance appraisal criteria of supply chain
- Track and evaluate investment subjects to decarbonize the value chain through the investment portfolio

Our progress

During the reporting period, we counted greenhouse gas emission for corporate branches and subsidiaries. Main emission sources: Diesel, gasoline, natural gas, liquefied petroleum gas, outsourcing electricity and heat. Mainly identified greenhouse gases: CO₂, CH₄ and N₂O.

Average greenhouse gas emissions for Scope I and Scope II were 3.30tCO₂e/person, an 18.1% decrease in intensity as compared to that of 2021.

Greenhouse Gas Emissions for Scope I and Scope II during 2018-2022

Scope	Emission source	2018	2019	2020	2021	2022	Unit
Scope I	Diesel	22.37	6.37	2.80	4.93	1.03	tCO ₂ e
	Petrol	1019.85	569.92	579.29	542.46	440.27	
	Gas	458.39	428.75	328.73	264.81	271.44	
	Liquefied petroleum gas(LPG)	2.85	2.95	3.07	3.01	2.92	
Scope II	Purchased electricity	14703.33	13870.64	12833.99	13162.30	11259.15	tCO ₂ e
	Purchased heat	290.00	299.96	243.38	867.60	1097.00	
total		16496.79	15178.59	13991.26	14845.11	13071.81	

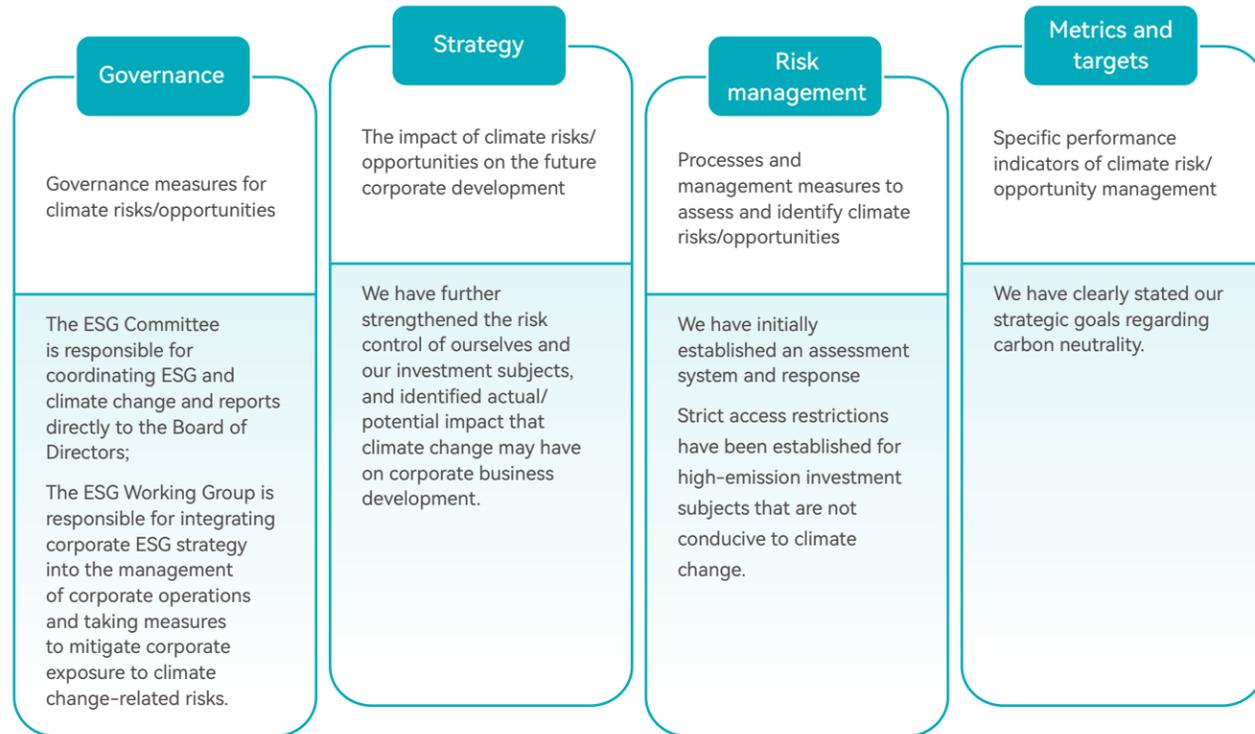
Note: During the reporting period, the GHG data disclosed in previous years were corrected to ensure comparability due to changes in statistical caliber of energy consumption.



TCFD THEME

Since the company formally became a supporting organization of the Task Force on Climate-Related Financial Disclosures (TCFD) in 2021, the Board of Directors and its special committees have engaged more in decision-making on ESG matters and we have established a system for identifying and assessing climate change risks, taking climate change into account in the overall operational risk of the company.

TCFD progress



Governance

The company has established a Strategy and Sustainability Committee under the Board of Directors to study and make recommendations on long-term strategic planning, sustainable development and environmental, social and governance policies of the company.

The ESG Committee is responsible for integrating ESG strategy into corporate management and business development, identifying climate risks and opportunities, setting long-term, medium-term and short-term ESG goals, regularly reviewing ESG performance, and monitoring the implementation of ESG-related policies and systems, etc.

The ESG Committee has set up a subordinate working group, which is responsible for integrating corporate ESG strategy into corporate operation and management, taking measures to mitigate potential risks and making the best of opportunities, actively communicating with stakeholders, and implementing ESG-related policies and systems, etc. to promote sustainable development.

Goals and actions related to climate change are submitted to the Board of Directors for regular review and decision making, monitoring and management.

Strategy

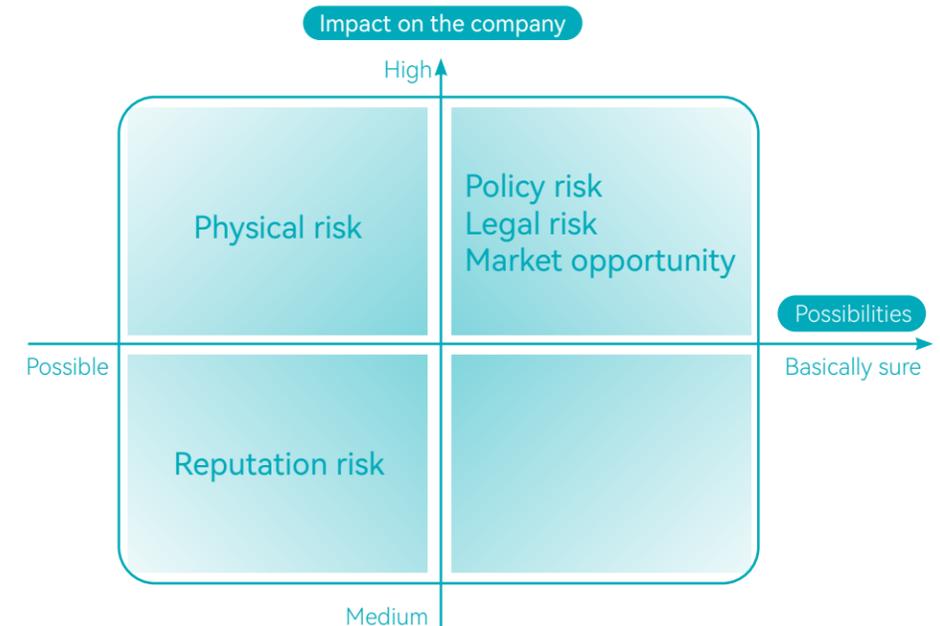
The company has identified potential impact of climate change on the company by taking into account overall corporate development and the advice of external consultants. We have classified the impacts as risks and opportunities:

Category	Name	Time range	Impact
Threat	Physical risk	Long-term	Destruction caused by extreme disasters to the company or customer's operating sites, such as typhoons, tsunamis, etc., which will cause significant damage to corporate business.
	Policy risk	Middle-term	Stricter green and low-carbon financial policies indirectly affecting corporate business.
	Legal risk	Middle-term	Customers are unable to meet national environmental regulatory requirements and face the risk of default and litigation.
	Reputation risk	Middle-term	China is vigorously developing green finance, and the company will be questioned by external parties regarding its responsibility for sustainable development if it does not actively get engaged in this respect.
Opportunities	Market opportunity	Middle-term	Investors have been focusing on the sustainability of the financial sector, and green and low-carbon financial products may turn out to be more favorable.

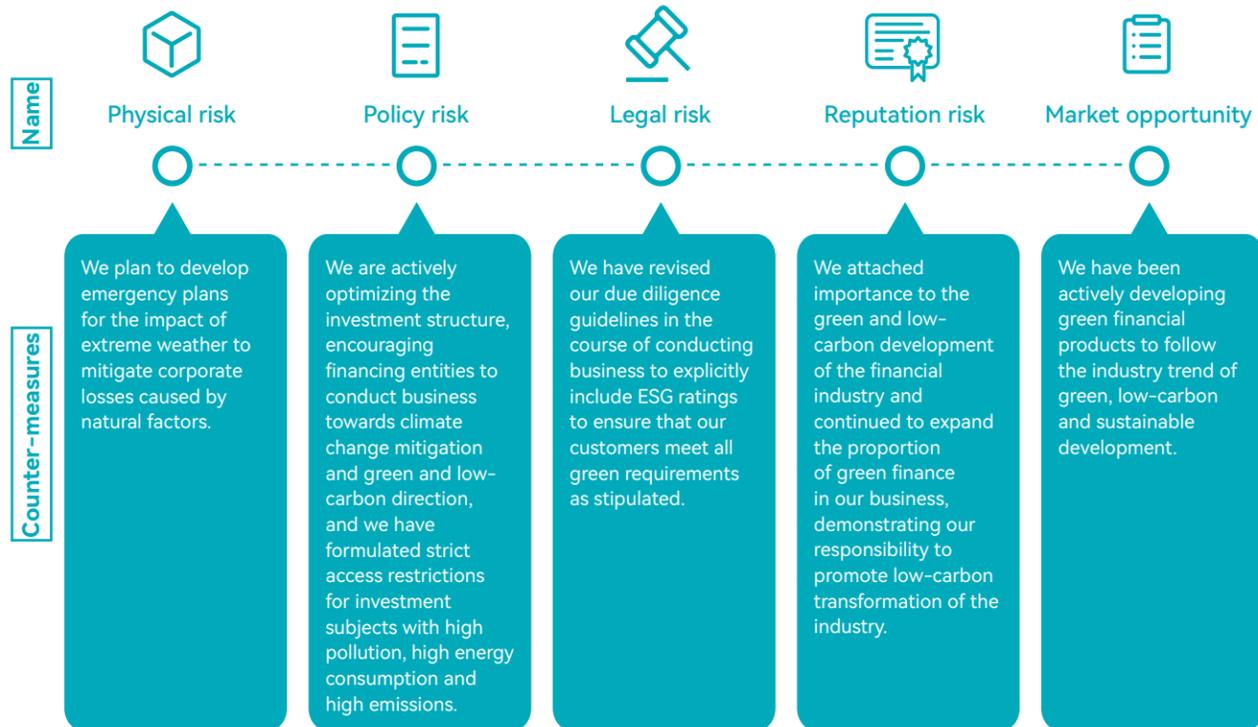
Risk management

According to potential impact on the company and the likelihood of occurrence, a matrix of climate change related risks and opportunities has been developed so that we could better assess the significance of various risks and opportunities facing the company.

Matrix of Climate Change Risks and Opportunities

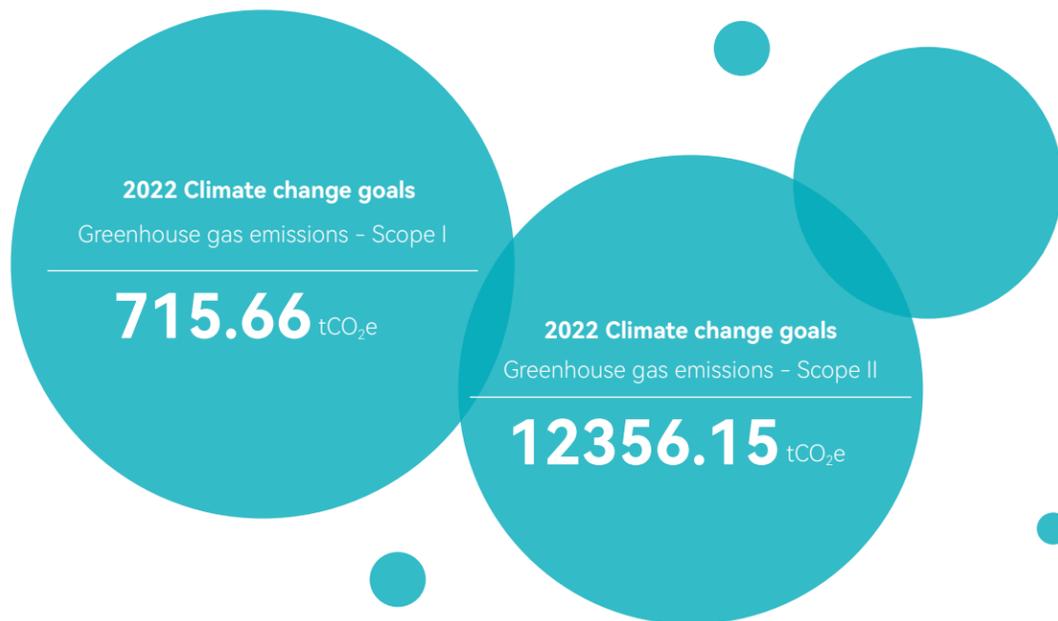


In response to the above risks and opportunities, we have also developed initial counter-measures:



Metrics and targets

Carbon neutrality at corporate operating level by 2040 (Scope I + Scope II)



DEVELOPING GREEN FINANCE

The company actively leverages its influence in the financial industry to encourage and guide investors to focus on climate change through financial activities, and to promote our investment subjects to work together towards green, clean and low carbon development.

The company has formulated the Responsible Investment Guidelines of Guoyuan Securities, requiring all business units to incorporate climate change and sustainable development into their financial investment business. During the reporting period, each business department issued and updated its business guidelines.

In terms of pledge of stock rights repurchase, we have updated the Implementation Rules for the Admission of Pledge of Stock Rights Repurchase Program of Guoyuan Securities to encourage financing entities to invest their funds to address climate change, biodiversity conservation, energy green transformation, etc. And investigation of ESG rating performance of the financing subject has also been incorporated into the due diligence report.

As for fixed income business, we have updated the Management Measures for Fixed Income Business of Guoyuan Securities, focusing on financial and performance in the process of business development, covering environmental performance, social responsibility and corporate governance of investment targets in the decision-making process.

During the reporting period, the company has established the Innovation Finance Department to explore innovative business in connection with various trading venues inside and outside the market, conduct research and investment on carbon peaking and carbon neutrality, and carry out ESG-related investment according to the authorization of the company. The company will continue to focus on corporate activities in terms of carbon peaking and carbon neutrality as well as climate change mitigation, developing related investment businesses.

During the reporting period, the company significantly increased its position in green bonds, holding a total of **27** green bonds with a financing scale of **1.684** billion, an increase of **171.61%** as compared to that of 2021. New financing for the clean energy industry through stock pledging business services to the real economy accounted for **25%**. In active equity investment business, investment in green, low-carbon and new energy enterprises accounted for **34%** of holdings.

By the end of the reporting period, the company has introduced **40** pan-ESG-related targets of public offering funds, and the stock market value of enterprises invested in new energy, low-carbon, environmental protection and other related enterprises has reached **84.238** billion.

CASE | Help clean energy enterprises get listed

Guoyuan Securities is committed to the development of the clean energy industry and actively contributes to the transformation of social energy structure. In September 2022, Senton Energy Co., Ltd. (hereinafter referred to as "Senton Energy"), sponsored and underwritten by Guoyuan Securities, was successfully listed on the main board of Shenzhen Stock Exchange, raising a total fund of 803 million. Shengtong Energy is a first-class integrated clean energy service provider in China, focusing on the procurement, transportation and sales of liquefied natural gas (LNG) in recent years, and is committed to providing clean energy alternatives for industrial fuels, town gas and transportation fuels, promoting the low-carbon transformation of social energy structure, and committed to achieving the goals of carbon peak and carbon neutrality in China.

ESG

GREEN OPERATION AND ECOLOGICAL CIVILIZATION



Contribution to UN SDGs:



Goal 13: Climate Action

The company advocated the concept of green operation, reduced resource consumption in the operation process, and performed energy-saving renovation for office premises to mitigate the impact on the environment during operations.

ENERGY MANAGEMENT

The company continued to focus on energy conservation and consumption reduction in its daily operations and to promote annual energy-saving improvements in its office premises. Headquarters building of Guoyuan Securities adopted intelligent building control system to ensure equipment timing operation with precise zone control. LED energy-saving lamps and lanterns were adopted in lighting equipment; sound-controlled induction lighting was deployed in public areas; and regular inspections of electricity consumption in the HQ building were performed by Administration Department to reduce energy consumption when no one was present.

During the reporting period, corporate energy consumption amounted to 19.90 GJ/person, a decrease of 7.6% as compared with that of the previous year.

Corporate energy consumption table for 2018-2022

category	2018	2019	2020	2021	2022	Unit
Diesel	8245.00	2348.00	1033.00	1816.00	390.29	L
	301.67	85.91	37.80	66.44	13.83	GJ
Petrol	423862.60	236866.00	240758.18	225450.90	183707.34	L
	14716.51	8223.99	8359.12	7827.66	5921.84	GJ
Gas	209881.83	196312.34	150513.37	121249.89	135748.44	m ³
	8170.70	7642.44	5859.49	4720.26	4833.80	GJ
Liquefied petroleum gas(LPG)	0.92	0.95	0.99	0.97	0.98	t
	43.52	44.94	46.83	45.88	46.20	GJ
Purchased electricity	18236.93	17215.85	15940.35	16362.35	16147.42	MWH
	65687.68	62009.84	57415.62	58935.62	58130.69	GJ
Purchased heat	2636.33	2726.92	2212.54	7887.27	9972.69	GJ
total	91556.41	80734.04	73931.40	79483.13	78919.06	GJ

Note: The company has revised the statistical method of outsourcing heat and adjusted the heat data within the past 5 years.

WATER STEWARDSHIP

As water shortage has become a major global issue, we have adopted Aqueduct™ Tools, a water stress identification tool developed by the World Resource Institute (WRI), to assess the water scarcity situation at all operating premises for a better understanding of status quo of the company. By the end of the reporting period, all 147 operating premises of the company were located in China. The main water demand was for domestic purposes, and the water was supplied by municipal utilities instead of a direct extract from nature.

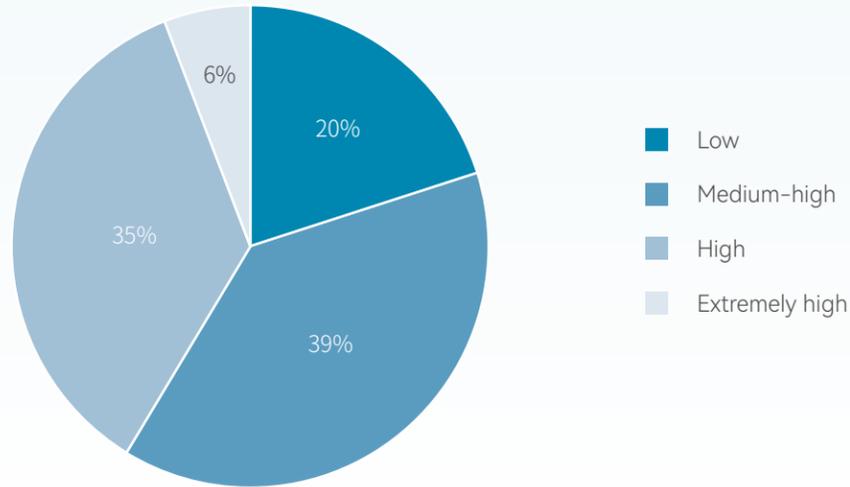
At the same time, the company encouraged its employees to uphold the concept of water conservation, and promoted water conservation in all office areas. The company has completed a water conservation renovation of its headquarters.

Corporate water consumption for 2018-2022

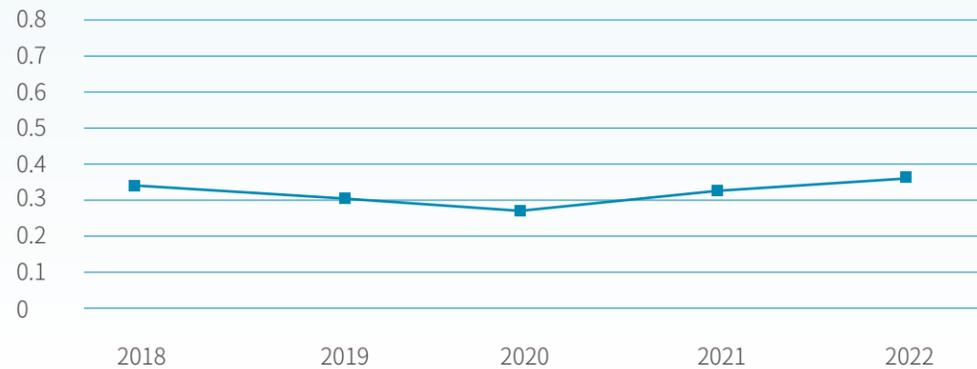
Risk level of water pressure	2018	2019	2020	2021	2022	Unit
Extremely-high	5463.12	5648.13	3331.60	2467.09	3385.28	t
High	13726.36	13895.73	11671.05	20510.84	20604.08	
Medium-high	10882.93	10676.96	10572.68	11511.71	22410.51	
low	27262.05	21743.38	18543.51	17907.23	11654.28	
total	59352.46	53983.20	46138.84	54417.87	58054.15	
Business area	174572.20	173263.37	169695.13	170061.51	169486.32	m ²
Intensity of water consumption	0.34	0.31	0.27	0.32	0.34	t/m ²

Note: During the reporting period, water intensity per unit area increased slightly due to the increase of operational points within the statistical scope.

Water Pressure Distribution at Corporate Operating Premises in 2022



Corporate Water Consumption Trends for 2018-2022



During the reporting period, the total water consumption of the company was 58,054.15 t, the total operation area was 169,486.32 m², and the water consumption per unit area was 0.34 t/m², 6.6% higher than that of the previous year.

GREEN OPERATION

The company attached great importance to the green low-carbon development in the operation process, and launched the initiative of "taking the stairs for adjacent floors" to encourage employees to take practical actions based on green office and contribute to the low-carbon life. Employees were encouraged to cultivate concept of resource conservation during daily work:



Compared with the previous year, the company reduced consumption of approximately 156,000 sheets of copy paper than the previous year, a decrease of approximately 12.03%. In the future, the company plans to further promote recycling activities for used paper and disposable paper cups for a paperless office and ecological environment. We are now discussing the specific implementation plans with relevant departments.

During the reporting period, solid waste of the company was mainly office waste and domestic waste. The main office waste included: Waste electronic products, waste ink cartridges, waste toner cartridges, etc. Office waste with potential toxic risk was handled by a third-party company with special qualifications. Domestic waste was disposed of by property management team of each office building.

Corporate waste statistics in 2018-2022

Waste type	2018	2019	2020	2021	2022	Unit
Domestic waste	209.84	199.67	192.05	445.47	506.83	t

Note: During the reporting period, the company made retrospective corrections to the branch data within the scope of disclosure.

ECOLOGICAL CIVILIZATION CONSTRUCTION

Lucid waters and green mountains are important part of sustainable development in China. The company continued to think about how to combine ecological civilization and market construction in an organic manner, strove to practice ecological protection in the process of business development, promoted rapid development of green and environment-friendly enterprises, and contributed to the development of ecological environment in China.

CASE | Contribute to the construction of ecological environment

Guoyuan Securities actively practiced the original mission of financial services to the real economy and was committed to the development of the environmental protection industry. In July 2022, Jinlv Environment Technology Co., Ltd. (hereinafter referred to as "JINLV Environment"), sponsored and underwritten by Guoyuan Securities, was successfully listed on the main board of Shenzhen Stock Exchange. The company financed 961 million for the development of environmental protection industry. With the mission of building ecological China and beautiful urban and rural areas, Jinlv Environment has always adhered to a professional business development strategy, and has been committed to improving the urban and rural residential environment, and providing comprehensive environmental solutions such as cleaning forsanitation, domestic garbage collection and sorting, toilet renovation and management, and rural sewage treatment.



CASE | The company was awarded 2nd prize in thesis for Anhui Practice of Xi Jinping Thought on Ecological Civilization

In December 2022, thesis selection results were announced for Anhui Practice of Xi Jinping Thought on Ecological Civilization, jointly organized by the Publicity Department of the Anhui Provincial Party Committee, the Department of Ecological Environment of Anhui Province, and the Anhui Academy of Social Sciences. The thesis, Practicing Xi Jinping Thought on Ecological Civilization, Promoting the Development of Anhui Capital Market, submitted by the company, was awarded the 2nd prize. It not only recognized the company's adherence to the concept of ecological civilization, but further confirmed the company's determination to develop green finance in the future. We will continue to further devote ourselves to the capital market, support the efforts in driving industry development and green finance, and firmly fulfill our social responsibility of serving the real economy with financial innovation.



ESG

COMMITMENT TO SHARED DEVELOPMENT AND CONTRIBUTION TO THE SOCIETY



Contribution to UN SDGs:



Goal 1: No Poverty

We continued to support national rural revitalization projects, serve the real economy, and support small and medium-sized enterprises.



Goal 4: Quality Education

We helped underprivileged students access to more educational resources by granting scholarships, establishing libraries and implementing other projects.



Goal 10: Reduced inequalities

We focused on vulnerable groups and supported children with autism to increase social understanding of them, reduce social prejudice and help them and their families integrate with the society.

COMMITMENT TO COMMUNITY WELFARE

Philanthropy is an important way to promote common prosperity as well as a channel for positive interaction between enterprises and society. Active participation in charity demonstrates our commitment to corporate social responsibility, and improves corporate image. The company has integrated the concept of philanthropy (constant development based on responsibility and increasing corporate growth based on social welfare) into its DNA and has enthusiastically participated in community activities as a practical doer of social responsibility. During the reporting period, based on the relevant management and approval procedures, the company has engaged in diversified public welfare and charity projects, contributing to various fields such as paired assistance, education programs, rural revitalization, and cultural and artistic activities.

In this year, we:

Donated RMB **0.3** million to Home for the Elderly of Shiguan Town, Yuexi County

Donated **2.9** million to Anhui Red Cross Foundation

Collaborated with two national public 5A-class foundations in depth, and donated **0.6** million to assist left-behind children

Collaborated with Anhui Charity Federation and donated a total of **4.5** million to **17** universities including University of Science and Technology of China

Public welfare type	2020	2021	2022
Amount of external donations (unit: RMB 10,000)	1741.00	853.20	1431.72
Public services (unit: hours)	940.50	1052.89	1370.55
Number of service participants/times	1867	3850	4263



Social responsibility award

Social Responsibility Award of Listed Companies in China

Anhui Charity Award

Candidate enterprises for the 12th "China Charity Award"

CASE | Lighting up the educational lamps for impoverished students in Dangshan



Education is the foundation of people's livelihood. Given limited educational resources in some areas, it is difficult for poor students to gain access to high-quality educational resources. The difficult situation of Dangshan Shuren School attracted our attention back in 2012, and for ten years ever since we have persistently assisted in education poverty alleviation efforts with a total donation of over 2.4 million in this regard. In addition to corporate donation, employees of Guoyuan Securities also raised money on their own for Shuren School to help poor students complete their studies. With the help of Guoyuan Securities and corporate employees, Shuren School slowly recovered and has gradually developed into "a pearl of education in the rural areas of northern Anhui", granting the hope of poor students to further their studies.



Total donation of over **2.4** million

CASE | Organizing theatrical performances to encourage autistic children



Children diagnosed with autism are a special group and need more tolerance and care. In 2022, Guoyuan Securities, together with Hefei Chunyu Parent Support Center for the Mentally Disabled Kids and Hefei University of Technology, organized a special theatrical performance for children with autism: A Theatrical Journey to Finance of Teenagers. In this event, the company encouraged autistic children to participate in theatrical performances for more interpersonal interaction, assisted autistic families to interact with and adapt to society, and helped them gain more attention and tolerance from society.



ENGAGED IN COMMUNITY DEVELOPMENT

The company followed national policies to support local economic development and contribute to local communities based on its own business edge. The company proposed the new models of "investment banking + bonds", "investment banking + investment" and "investment banking + futures" to provide comprehensive financial services for various market players across the entire business chain. The company provided capital market services for over half of the listed companies in Anhui Province, and has won the highest grade in the evaluation by the provincial government's service in terms of the development of local real economy for twelve consecutive years. In addition, the company took a multi-pronged approach to help local high-quality enterprises to raise funds and inject vitality into the local economy through investment and relief measures.

The company undertook the responsibility of community building and promoted the harmonious prosperity of enterprise and community development. In 2022, Hunan Branch played a pioneering role and actively participated in the community comforting program. Given these efforts, it was awarded as "Advanced Unit of the Party Building Joint Committee Members", and were fully acknowledged by the local community.



Efforts of Hunan Branch Highly Appreciated by the Community



CONTRIBUTION TO RURAL REVITALIZATION

2022 was an important year for rolling out the rural revitalization strategy. In this year, we further enhanced achievements in poverty alleviation, continued to promote the development of areas out of poverty and the comprehensive revitalization of villages, supported local projects in education, medical care and construction of beautiful villages, and improved local infrastructure. We donated to the following areas for the development of local rural revitalization:



The company and a number of organizations jointly hosted Guoyuan Securities Cup - National Photography Competition of Rural Revitalization and Common Prosperity, whereby vivid pictures of beautiful rural life encouraged the public to continue devoting themselves to rural revitalization, enhance the achievements of poverty alleviation, and showcase positive results from the rural revitalization strategy.

CASE | Finance for agriculture, boost rural revitalization

The key to rural revitalization is industry revitalization, whereby the finance sector is an indispensable part. In 2022, we successfully issued "22 Susong bond", the first "rural industrial integration development bond" in Anhui Province, so as to encourage industrial integration development and enhance the added value of agriculture. We issued "22 Jianhu New Agricultural Investment Small and Micro Bond", a credit-adding pooled bond for small and micro enterprises in agriculture, rural areas and rural people, to support farmers in debt and rapidly expand the scale and market share of agriculture-related loan business; issued "22 Jiangsu Bank Three Agriculture Bond", with all raised funds for agriculture-related loan to enhance credit support for the "three agriculture" sector. We issued "22 Zongyang Bond", the first "New Urbanization Construction Special Corporate Bond" in Anhui Province, effectively making up the weaknesses of county urbanization. The above bonds managed to raise a total of 3.05 billion for active promotion of rural revitalization in practice.

LOOKING FORWARD TO 2023

The company actively practices the mission of CSR as a state-owned enterprise and has made some progress in this regard, but there is still much room for improvement. Firstly, we need to further play our industry advantages in boosting rural revitalization and contribute more initiatives to and share more experience with the society. Secondly, the ESG sector is developing rapidly, and there is still quite some room for improvement in terms of corporate ESG governance capability. Thirdly, we need to keep up with the industrial trend, and improve more in the management of environmental information and statistics. In response to the above problems, the company will take the following measures: Firstly, we will foster more cooperation with governments and enterprises in poor areas for industrial poverty alleviation and multi-level market construction, and finance rural revitalization accordingly. Secondly, we will continue to strengthen our collaboration with scientific research units and actively perform ESG theory research to enhance corporate ESG governance capability. Thirdly, we will invite professional training institutions to provide ESG management training so as to enhance corporate ESG information management capability.

In 2023, with reference to the United Nations Sustainable Development Goals (UN SDGS 2030), the company will focus on the following ESG strategic goals as a whole, including governance, talent and climate: Firstly, we will focus on the responsibilities and mission of financial services entity, improve ESG due diligence system establishment, and further enhance the principle of responsible investment. Secondly, in response to the United Nations Sustainable Development Goals, we will continue to construct the responsible investment talent team, provide training and development opportunities for employees, and practice the concept of shared development. Thirdly, we will continue to develop green finance, promote green operations, and conduct professional training for investors and employees to address climate change, so as to contribute to sustainable economic and social development.



HONORS AND CERTIFICATES

Award Winner	Time	Award	Awarded by
Guoyuan Securities	2022.1	Outstanding Brokerage Brand in 2021	Hexun.com
Guoyuan Securities	2022.1	Socially Responsible Financial Institution in 2021	
Guoyuan Securities	2022.4	The 4th New Fortune Best Investment Advisor Excellence Organization Award	NEW FORTUNE
Guoyuan Securities	2022.4	The 4th New Fortune Most Promising Investment Advisory Team	
Guoyuan Securities	2022.5	Excellent grade rating of provincial financial institutions serving the local real economy development	The People's Government of Anhui Province
Guoyuan Securities	2022.6	Excellent Internet investor education base of Anhui Province securities and futures investor education assessment for 2021-2022	Anhui Securities Regulatory Bureau
Guoyuan Securities	2022.6	Class A rating of culture building practices of securities firms in 2021	China Securities Association
Guoyuan Securities	2022.7	Class A assessment of information disclosure	Shenzhen Stock Exchange
Guoyuan Securities	2022.8	Class A evaluation of investor education of securities companies in 2022	China Securities Association
Guoyuan Securities	2022.8	Class AA rating in ESG	CNI Index
Guoyuan Securities	2022.9	Constituents of Hang Seng A-Share Sustainability Business Benchmark Index (HSCASUSB)	Hang Seng Indexes Limited
Guoyuan Securities	2022.9	Anhui Charity Award	Department of Civil Affairs of Anhui Province
Guoyuan Securities	2022.9	Most Promising Investment Bank	NEW FORTUNE
Guoyuan Securities	2022.9	Best IPO Project	
Guoyuan Securities	2022.11	Top 100 listed companies in ESG in China	Securities Times
Guoyuan Securities	2022.11	Top 30 Brand Value of Listed Companies in China Securities Industry in 2022	National Business Daily
Guoyuan Securities	2022.11	Emerging Investment Banking Team	
Guoyuan Securities	2022.12	Securities Institution Excellent Service Award	Hefei Municipal People's Government
Guoyuan Securities	2022.12	Class A of Investment Banking Business Quality Evaluation for Securities Firms in 2022	China Securities Association

Award Winner	Time	Award	Awarded by
Guoyuan Securities	2022.12	Class 5A Evaluation of Board Secretary Performance in Listed Company in 2022	China Association for Public Companies
Guoyuan Securities	2022.12	2022 Best Practice Cases of Directors' Offices of Listed Companies	
Guoyuan Securities	2022.12	Outstanding Fintech Award	Financial Industry
Guoyuan Securities	2022.12	Outstanding Popularity App Award	
Guoyuan Securities	2022.12	Top 10 Investment Bank in 2022	YICAI
Guoyuan Securities	2022.12	China Securities Company Golden Bull Award - Golden Bull Growth Securities Company in 2022	China Securities Journal
Guoyuan Securities	2022.12	China Securities Company Golden Bull Award - Top 10 Securities Companies Serving Science and Technology Venture Enterprises of IPO in 2022	
Guoyuan Securities	2023.1	Top 100 Bond Trading Self-clearing Companies	China Central Depository & Clearing Co., Ltd.
Guoyuan Securities (research topic "Research on the Mechanism and Enhancement of the Role of Ideological and Political Work in Financial Services to Promote Rural Revitalization")	2023.1	Third Prize of National Financial System Ideological and Political Work and Cultural Development Research achievement in 2022	Chinese Society of Financial Ideological and Political Work
Guoyuan Securities (research topic "Research on Asset-Liability Management Methods for Securities Companies")	2023.1	SAC - Outstanding Topics of Key Research in 2022	China Securities Association
Guoyuan Securities	2023.2	Top 10 ETF Sellers in 2022	Shanghai Stock Exchange



INDEPENDENT VERIFICATION STATEMENT

To the management and stakeholders of Guoyuan Securities Co., Ltd,

TÜV SÜD Certification and Testing (China) Co., Ltd. Shanghai Branch (hereinafter referred to as "TÜV SÜD") has been engaged by Guoyuan Securities Co., Ltd (herein referred to as "Guoyuan" or "the Company") to perform an independent third-party verification on 2022 Environmental, Social and Governance Report (hereinafter referred to as "the Report"). During this verification, TÜV SÜD's verification team strictly abided by the contract signed with Guoyuan and provided verification regarding the Report in accordance with the provisions agreed by both parties and within the authorized scope stipulated in the contract.

This Independent Verification Statement is based on the data and information collected by Guoyuan and provided to TÜV SÜD. The scope of verification is limited to the given information. Guoyuan shall be held accountable for authenticity and completeness of the provided data and information.

Scope of Verification

Time frame of this verification:

• The Report contains the data disclosed by Guoyuan during the reporting period from January 1st, 2022 to December 31st, 2022, including economic, environmental and social information and data, methods for management of substantial issues, actions/measures and the Company's sustainability performance during the reporting period.

Physical boundary of this verification:

• The verification took sampling way to carry out the onsite verification, the physical scope of the selected location is located at No.18 Meishan Road, Hefei City, Anhui Province.

Scope of data and information for the verification:

• The scope of verification is limited to the data and information of Guoyuan and Subsidiary/Business Department sites under its operational control covered by the Report.

The following information and data are beyond the scope of this verification:

- Any information and contents beyond the reporting period of this Report; and
- The data and information of Guoyuan's suppliers, partners and other third parties; and
- The financial data and information disclosed in this Report that have been audited by an independent third party are not verified again herein.

Limitations

• The verification process is conducted on-site. Sampling and verification are adopted for the data and information in the Report by TÜV SÜD, and only the stakeholders within the organization are interviewed; and

• The Company's standpoint, opinions, forward-looking statements and predictive information as well as the historical data and information before January 1st, 2022 are beyond the scope of this verification.

TUV SUD Certification and Testing (China) Co., Ltd. Shanghai Branch
No.151 Heng Tong Road, Shanghai 200070
Tel: +86 21-61410737
Fax: +86 21-61408600
Web: <http://www.tuvsud.cn>

Basis for the Verification

This verification process was conducted by TÜV SÜD's expert team with extensive experience in the economic, social, environmental and other relevant areas and drew the conclusions "Moderate Assurance" thereof. The verification referred to the following standards:

- AA1000AS v3, Type 1 Engagement and Moderate Assurance
- TÜV SÜD Procedure of Verification on Sustainability Report

In order to perform adequate verification in accordance with the contract and provide reasonable verification for the conclusions, the verification team conducted the following activities:

- Preliminary investigation of the relevant information before the verification;
- Confirmation of the presence of the topics with high level of materiality and performance in the Report;
- Onsite review of all supporting documents, data and other information provided by Guoyuan; tracing and verification of key performance information;
- Special interview with the representative of Guoyuan's management; interviews with the employees related to collection, compilation and reporting of the disclosed information; and
- Other procedures deemed necessary by the verification team.

Verification Conclusions

According to the verification, we believe the Report prepared by Guoyuan adheres to the requirement of AA1000AS v3. The verification team has drawn the following conclusions on this Report:

Inclusivity	Guoyuan has fully identified the internal and external stakeholders of the organization, such as shareholders and investors, employees, customers, creditors, business partners, government and regulatory agencies (including exchanges), public media, industry associations and companies in the same industry, surrounding communities (including residents) and the environment, etc., and has established a stakeholder communication mechanism to regularly collect the real demands of stakeholders.
Materiality	Guoyuan has established a prioritization process for material topics, identified sustainability topics that are highly relevant to its business and prioritized the topics, disclosed strategies, management actions and performance data in the company's sustainability management and operations process, and the Report content is substantive overall.
Responsiveness	Guoyuan has clearly disclosed the management methods and performance of major issues in the areas of corporate governance, economic performance, compliance management, business ethics, comprehensive risk management, responsible investment, data security and privacy protection, and has established various stakeholder communication mechanisms to fully respond to stakeholders' demands and expectations.
Impact	Guoyuan actively creates a positive financial environment, and protects the rights and interests of stakeholders through clean and compliant operations, information security and privacy protection, customer service, etc.; through financial technology empowerment, investment value chain/ecosystem, etc., to assist invested companies to undertake environmental responsibilities, and bring positive and long-term impact to society.

TUV SUD Certification and Testing (China) Co., Ltd. Shanghai Branch
No.151 Heng Tong Road, Shanghai 200070
Tel: +86 21-61410737
Fax: +86 21-61408600
Web: <http://www.tuvsud.cn>



After verification on a sample basis, we believe that the following data disclosed in the report for the year 2022 are true and reliable for use by interested parties:

Environmental	Social	Economic/Governance
<ul style="list-style-type: none"> · Energy consumption data · Water resource consumption data · Waste emission data · Construction of ecological civilization · Carbon neutral strategic planning · Greenhouse gas emission data · TCFD progress 	<ul style="list-style-type: none"> · Staff: <ul style="list-style-type: none"> -Employment -Staff turnover rate -Proportion of employees at each level -Gender ratio of employees -Proportion of employees by age group -Total staff training time -Parental leave return/retention rates · Social contribution: <ul style="list-style-type: none"> -External donation amount -Public service hours -Number of people involved in the service -Social Responsibility Honor 	<ul style="list-style-type: none"> · Economic performance · Clean and compliant operation · Information security and privacy protection · Customer Satisfaction · Responsible investment · R&D investment · Green finance business

Recommendations on Continuous Improvement

· It is recommended company to conduct an inventory of greenhouse gas emissions (GHG) in investment activities, and conduct track management.

Statement on Independence and Verification Capability

TÜV SÜD is a trusted partner of choice for safety, security and sustainability solutions. It specialises in testing, certification, auditing and advisory services. Since 1866, TÜV SÜD has remained committed to its purpose of enabling progress by protecting people, the environment and assets from technology-related risks. Today, TÜV SÜD is present in over 1,000 locations worldwide with its headquarters in Munich, Germany. TÜV SÜD has been committed to sustainable development and actively promotes environmental protection related projects. Over the years, TÜV SÜD has been actively expanding its performance in energy management, renewable resources, and electric automobiles, etc., helping its customers meet sustainable development needs.

TÜV SÜD Certification and Testing (China) Co., Ltd. Shanghai Branch is one of TÜV SÜD 's global branches and has an expert team whose members have professional background and rich industrial experiences.

TÜV SÜD and Guoyuan are two entities independent of each other and both TÜV SÜD and Guoyuan and their branches or stakeholders have no conflict of interest. No member of the verification team has business relationship with the Company. The verification is completely neutral.

Signature:

On Behalf of TÜV SÜD Certification and Testing (China) Co., Ltd. Shanghai Branch



Zhu Wenjun
TÜV SÜD Sustainability Authorized Signatory Officer
Mar 16, 2023
Shanghai, China

Note: In case of any inconsistency or discrepancy, the simplified Chinese version of this verification statement shall prevail, while the English translation is used for reference only.

TUV SUD Certification and Testing (China) Co., Ltd. Shanghai Branch No.151 Heng Tong Road, Shanghai 200070	Tel: +86 21-61410737 Fax: +86 21-61408600 Web: http://www.tuvsud.cn
--	---

INDEX SHEET

GRI Standards

Instructions	Guoyuan Securities prepares reports in accordance with GRI standards from January 1, 2022 to December 31, 2022
GRI 1	GRI 1: Foundation 2021

GRI standard	General Disclosures	page number	REASON FOR OMISSION
The organization and its reporting practices	GRI 2-1 Organization Details	1	
	GRI 2-2 Entities included in the organization's sustainability reporting	1	
	GRI 2-3 Reporting period, frequency and contact point	2	
	GRI 2-4 Restatements of information	2	
	GRI 2-5 External assurance	83-85	
Activities and Workers	GRI 2-6 Activities, Value Chain and Other Business Relationships	1	
	GRI 2-7 Employee	52	
	GRI 2-8 Workers who are not employees	19;32	
Governance	GRI 2-9 Governance Structure and Composition	9	
	GRI 2-10 Nomination and selection of the highest governance body	9	
	GRI 2-11 Chairman of the highest governance body	9	
	GRI 2-12 Role of the highest governance body in overseeing the management of impacts	9	
	GRI 2-13 Delegation of responsibility for managing impacts	9	
	GRI 2-14 Role of the highest governance body in sustainability reporting	9	
	GRI 2-15 Conflicts of Interest	9	
	GRI 2-16 Communication of critical concerns	19-22	
	GRI 2-17 Collective knowledge of the highest governance body	10	
	GRI 2-18 Evaluation of the performance of the highest governance body	13-14	
	GRI 2-19 Remuneration policies	9	
Strategy, policies and practices	GRI 2-20 Process to determine remuneration	9	
	GRI 2-21 Annual Total Compensation Ratio	9	
	GRI 2-22 Statement on Sustainable Development Strategy	11-12	
	GRI 2-23 Policy Commitments	11-12	
	GRI 2-24 Embedding policy commitments	19-20	
	GRI 2-25 Processes to remediate negative impacts	13-14	
	GRI 2-26 Mechanisms for seeking advice and raising concerns	14	
	GRI 2-27 Compliance with laws and regulations	13	
Stakeholder Engagement	GRI 2-28 Membership associations	82	
	GRI 2-29 Approach to Stakeholder Engagement	19-20	
	GRI 2-30 Collective Bargaining Agreement	51	

GRI standard	General Disclosures	page number	REASON FOR OMISSION
Material Topics 2021	GRI 3-1 Process to determine material topics	21-22	
	GRI 3-2 List of material topics	24	
	GRI 3-3 Management of material topics	22	
Economic Performance 2016	GRI 3-Management of Material Issues	7	
	201-1 Direct economic value generated and distributed	7	
	201-2 Financial implications and other risks and opportunities due to climate change	64	
	201-3 Defined benefit plan obligations and other retirement plans	57	
	201-4 Financial assistance received from government	57	
Market Presence 2016	GRI 3-Management of Material Issues	56	
	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	56	
	202-2 Proportion of senior management hired from the local community	53-54	
Indirect Economic Impact 2016	GRI 3-Management of Material Issues	80	
	203-1 Infrastructure investments and services supported	80	
	203-2 Significant indirect economic impacts	80	
Procurement Practices 2016	GRI 3-Management of Material Issues	33	
	204-1 Proportion of procurement spending on local suppliers	33	
Anti-corruption 2016	GRI 3-Management of Material Issues	31	
	205-1 Operations assessed for risks related to corruption	27	
	205-2 Communication and training about anti-corruption policies and procedures	31	
	205-3 Confirmed incidents of corruption and actions taken	31	
Anti-competitive Behavior 2016	GRI 3-3 Management of Material Issues	27	
	206-1 Legal actions for anti-competitive, anti-trust, and monopoly practices	27	
Tax 2019	GRI 3-Management of Material Issues	-	[Not applicable] Disclosed in the company's annual report
	207-2 Tax governance, control and risk management	-	
	207-3 Stakeholder engagement and management of concerns related to tax	-	
	207-4 Country-by-country reporting	-	[Not applicable] Non-country report
Material 2016	GRI 3-Management of Material Issues	-	[Not applicable] The organization is non-production in nature and has no production materials
	301-1 Materials used by weight or volume	-	
	301-2 Recycled input materials used	-	
Energy 2016	GRI 3-Management of Material Issues	73	
	302-1 Energy consumption within the organization	73	
	302-2 Energy consumption outside of the organization	-	[Not Applicable] The organization is not of production or transportation nature, and the upstream and downstream energy consumption is not a major material issue
	302-3 Energy Intensity	73	
	302-4 Reduction of energy consumption	73	
	302-5 Reductions in energy requirements of products and services	50	

GRI standard	General Disclosures	page number	REASON FOR OMISSION
Water and Effluents 2018	GRI 3-Management of Material Issues	74	
	303-1 Interactions with water as a shared resource	74	
	303-2 Management of water discharge-related impacts	74	
	303-3 Water withdrawal	74	
	303-4 Water discharge	-	[Information unavailable / incomplete] Some operating sites are managed by third-party properties, and the discharge volume cannot be counted
Biodiversity 2016	GRI 3-Management of Material Issues	-	
	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	-	[not applicable] Non-production, manufacturing, or mining nature, with little impact on the local ecological environment during operation, and biodiversity is not a major material issue
	304-2 Significant impacts of activities, products and services on biodiversity	-	
	304-3 Habitats protected or restored	-	
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	-	
Emissions 2016	GRI 3-Management of Material Issues	65-69	
	305-1 Direct (Scope 1) GHG emissions	66	
	305-2 Energy indirect (Scope 2) GHG	66	
	305-4 GHG emissions intensity	66	
	305-5 Reduction of GHG emissions	66	
	305-6 Emissions of Ozone Depleting Substances (ODS)	-	[not applicable] Ozone-depleting substances are not involved in the organization's operations
	305-7 Nitrogen oxides (NOx), sulfur oxides(SOx), and other significant air emissions	-	[not applicable] The organization is non-production in nature, and the emission of air pollutants is not a major material issue
Waste 2020	GRI 3-Management of Material Issues	76	
	306-1 Waste generation and significant waste-related impacts	76	
	306-2 Management of significant waste-related impacts	76	
	306-3 Waste generated	76	
	306-4 Waste diverted from disposal	76	
	306-5 Waste directed to disposal	76	
Supplier Environmental Assessment 2016	GRI 3-Management of Material Issues	33	
	308-1 New suppliers screened using environmental criteria	33	
	308-2 Negative environmental impacts in the supply chain and actions taken	33	

GRI standard	General Disclosures	page number	REASON FOR OMISSION
Employment 2016	GRI 3-Management of Material Issues	24;55	
	401-1 New employee hires and employee turnover	55-56	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part time employees	61	
	401-3 Parental Leave	61	
Labor/ Management Relations 2016	GRI 3-Management of Material Issues	24;57	
	402-1 Minimum notice periods regarding operational changes	57	
Occupational Health and Safety 2018	GRI 3-Management of Material Issues	22;61	
	403-1 Occupational Health and Safety Management System	61	
	403-2 Hazard Identification, Risk Assessment, and Incident Investigation	61	
	403-3 Occupational Health Services	61	
	403-4 Worker participation, consultation, and communication on occupational health and safety	61	
	403-5 Worker training on occupational health and safety	61	
	403-6 Promotion of worker health	61	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	61	
	403-8 Workers covered by an occupational health and safety management system	61	
	403-9 Work-related injuries	61	
403-10 Work-related ill health	61		
Training and Education 2016	GRI 3-Management of Material Issues	24;59	
	404-1 Average hours of training per employee per year	58-59	
	404-2 Programs for upgrading employee skills and transition assistance programs	59	
	404-3 Percentage of employees receiving regular performance and career development reviews	60	
Diversity and Equal Opportunity 2016	GRI 3-Management of Material Issues	24;57	
	405-1 Diversity of governance bodies and employees	57	
Non-discrimination 2016	GRI 3-Management of Material Issues	24;57	
	406-1 Incidents of Discrimination and Corrective Actions Taken	55	
Freedom of Association and Collective Bargaining 2016	GRI 3-Management of Material Issues	24	
	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	55	
Child Labor 2016	GRI 3-Management of Material Issues	24;57	
	408-1 Operations and suppliers at significant risk for incidents of child labor	57	
Forced or Compulsory Labor 2016	GRI 3-Management of Material Issues	24;57	
	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	57	
Security Practices 2016	GRI 3-Management of Material Issues	24	
Rights of Indigenous Peoples 2016	GRI 3-Management of Material Issues	-	[Not Applicable] Operation activities do not involve violations of indigenous rights
	411-1 Incidents of violation involving indigenous peoples	-	

GRI standard	General Disclosures	page number	REASON FOR OMISSION
Local Communities 2016	GRI 3-Management of Material Issues	81-84	
	413-1 Operations with local community engagement, impact assessments and development programs	-	[Not applicable] No adverse effects
	413-2 Operations with significant actual and potential negative impacts on local communities	-	
Supplier Social Assessment 2016	GRI 3-Management of Material Issues	33	
	414-1 New suppliers that were screened using social criteria	33	
	414-2 Negative social impacts of the supply chain and actions taken	33	
Public Policy 2016	GRI 3-Management of Material Issues		[Not applicable]
	415-1 Political Contributions		
Customer Health and Safety 2016	GRI 3-Management of Material Issues	34-37	
	416-1 Assessment of health and safety impacts of product and service categories	34-37	
	416-2 Incidents of non-compliance involving health and safety impacts of products and services	35	
Marketing and labeling 2016	GRI 3-Management of Material Issues	35	
	417-1 Requirements for product and service information and labeling	35	
	417-2 Incidents of non-compliance involving product and service information and labeling	35	
	417-3 Incidents of non-compliance concerning marketing communications	35	
Customer Privacy 2016	GRI 3-Management of Material Issues	35	
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	35	

SASB index

Topic	Code/ ACCOUNTING METRIC	Pages
Diversity and Inclusion of Employees	FN-IB-330a.1 Percentage of executive directors, non-executive directors, professionals and all other employees by gender and race	57
Integrating environmental, social and governance considerations into investment banking and brokerage activities	FN-IB-410a.1 Revenue from underwriting, advisory and securitization transactions that integrate environmental, social and governance (ESG) factors, by industry	70
Business Ethics	FN-IB-510a.1 Total pecuniary losses resulting from legal proceedings related to fraud, insider trading, antitrust, anti-competitive practices, market manipulation, malpractice or other relevant financial industry laws and regulations	27;31
	FN-IB-510a.2 Description of the whistleblowing policy and procedures	31

Topic	Code/ ACCOUNTING METRIC	Pages
Professional Conduct	FN-IB-510b.1 Number and percentage of employees with a history of investment-related investigations, consumer complaints, private civil actions or other regulatory proceedings	25
	FN-IB-510b.2 Number of mediation and arbitration cases involving parties' professional conduct (including duty of care)	25
	FN-IB-510b.3 Total pecuniary losses resulting from legal proceedings relating to professional conduct (including duty of care)	25
	FN-IB-510b.4 Describe methods of ensuring professional conduct, including the duty of care	27-28
Systematic Risk Management	FN-IB-550a.2 Describe methods for incorporating mandatory and voluntary stress test results into capital adequacy plans, long-term corporate strategies, and other business activities	17

UN SDGs 2030 Index Table

UN SDGs	Page
1.No poverty	84
2.Zero hunger	-
3.Good health and well-being	61
4.Quality Education	58-60,81-82,84
5.Gender equality	55-57
6.Clean water and sanitation	-
7.Affordable and clean energy	-
8.Decent work and economic growth	58-60
8.Industry, Innovation and Infrastructure	90
10.Reduced inequities	55-57,82
11.Sustainable Cities and Communities	79
12.Responsible Consumption and Production	33
13.Climate Action	65-70,73-78
14.Life below water	-
15.Life and land	-
16.Peace, Justice and Strong Institutions	27-33
17.Partnerships for goals	-

UNGC United Nations Global Compact Ten Principles Index Table

Principles	Content	Page
Human Rights		
Principle I	Businesses should respect and uphold all internationally recognized human rights	55-57
Principle II	Companies will not be involved ("complicit") in any disregard or abuse of human rights	55-57
Labor Standards		
Principle III	Companies should uphold freedom of association and recognize the right to collective bargaining between labor and management	55-57
Principle IV	Companies should eliminate all forms of forced labor	55-57
Principle V	Enterprises should eliminate child labor system	55-57
Principle VI	Companies should eliminate any discrimination in employment and occupation	55-57
Environment		
Principle VII	Businesses respond to environmental challenges in a proactive manner	65-70
Principle VIII	Companies should take the initiative to increase their responsibility for environmental protection	70,76-78
Principle IX	Companies should encourage the development and promotion of environmentally friendly technologies	70
Anti-Corruption		
Principle X	Businesses should oppose all forms of corruption, including extortion and bribery	27-33

TCFD Climate Related Financial Disclosure Task Force Recommendation Report Index Table

TCFD	Reference Disclosure	Page
Governance	Disclosure of the organization's governance related to climate-related risks and opportunities	67
Strategy	Disclose the actual and potential impact of climate-related risks climate-related risks and opportunities on the organization's business, strategic and financial planning	68
Risk Management	Disclose how the organization identifies, assesses and manages climate-related risks	68-69
Targets and metrics	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities	69

READER FEEDBACKS

Dear readers, Hello!

Thank you for reading this report. In order to improve corporate ESG work and enhance ESG management, we look forward to hearing your comments and suggestions. We sincerely hope that you can spare us some time to evaluate the report for continuous corporate improvement. We would appreciate your feedback by answering the relevant questions in the following form:

1. Please mark "✓" in the corresponding place

1. Do you think the report reflects the significant environmental, economic and social impacts and the environmental, economic and social achievements of the company?

Yes No Not Sure

2. Do you believe that the disclosed information in the report is true, accurate and valid?

Yes No Not Sure

3. Do you think the language description, content layout, and graphic design of the report are clear and accessible?

Yes No Not Sure

2. Open Questions:

1. What is your overall opinion of this report?

2. What do you think of the quality of the information disclosed in the report?

3. Which part of the report are you most interested in?

4. What else do you need to know that is not provided in this report?

5. Do you have any suggestions for our social responsibility or ESG work and report release in the future?

Our contact information:

Contact: Liu Jinfeng, Yang Lu

Postcode: 230022

Tel: 0551-62207968 62207323

Fax: 0551-62207322

Email: dshbgs@gyzq.com.cn

To get more corporate information, please log in official website of the company:

Official website: www.gyzq.com.cn/main/index.html





国元证券股份有限公司
GUOYUAN SECURITIES CO., LTD.

ESG





Address: Tower A, Anhui International Finance Center,
No.18 Meishan Road, Hefei City, Anhui Province, China

National Customer Service Hotline: 95578

Postcode: 230001

Email: 95578@gyzq.com.cn

Website: <http://www.gyzq.com.cn>

 This report is made of biodegradable and recycled paper