



财通证券
CAITONG SECURITIES

Stock Code: 601108

2023

Caitong Securities Co., Ltd.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT





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Report Profile

Notes to the report:

This report is the 7th Environmental, Social and Governance (ESG) report issued by Caitong Securities Co., Ltd. ("Caitong Securities", "Caitong", "Company", "We", or "Us"). Based on the principles of objectivity, normative, transparency, and comprehensiveness, this report is intended to summarize the ESG progress and performance of the Company in 2023, present the explorations of the Company in implementing ESG management concepts to promote high-quality and sustainable development in actual operations, enhance communication with stakeholders, respond to the concerns of stakeholders on the ESG materiality issues of the Company, and urge the improvement of the Company in performing its ESG responsibilities.

Reporting cycle:

This report is an annual report, which discloses in detail the practices and performance of the Company in the operational, environmental, social and governance areas for the period from January 1, 2023 to December 31, 2023. Parts of this report are appropriately retrodated to previous years to enhance the comparability and integrity of this report.

Reporting scope:

Unless otherwise stated, the scope of this report is the same as the scope of the Company's annual consolidated financial statements.

Data source and reliability assurance:

The information and data disclosed in this report are derived from the internal collection, statistical reports and public materials of the Company, the operational data involved herein is consistent with the data range in the 2023 annual report of Caitong Securities Co., Ltd., and the currency amounts involved herein are all measured in CNY. The statistical data have been reviewed and confirmed by the departments of the Company. Currencies mentioned herein refer to CNY unless otherwise specified. The Company undertakes that the information and data disclosed herein have been confirmed by the board of directors of the Company and are free of any false records or misleading statements, and is responsible for the authenticity, accuracy and integrity of its content.

Reporting language:

This report is published in simplified Chinese and English versions. In case of ambiguity, the simplified Chinese version shall prevail.

Reference and principles:

Guideline No.1 on the Application of Self-regulatory Rules for Listed Companies on Shanghai Stock Exchange – Regulated Operation (December 2023 Revision) issued by Shanghai Stock Exchange
Standards for the Contents and Formats of Information Disclosure by Companies Offering Securities to the Public No. 2—Contents and Formats of Annual Reports (2021 Revision) issued by the CSRC
The Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards)

Access to this report:

This report is released in both printed and electronic forms. The electronic version is available on the website of the Shanghai Stock Exchange (www.sse.com.cn).



Board Statement

The year 2023 marks the first year to fully implement the spirit of the 20th National Congress of the Communist Party of China, the 20th anniversary of the implementation of the "Eight-Eight Strategy", and the 30th anniversary of the establishment of Caitong Securities. This year, Caitong Securities deeply studied and implemented the guiding principles of the Central Financial Work Conference and took finance to serve the real economy as its fundamental purpose.

As a securities company directly affiliated to the Provincial Party Committee or the Provincial Government of Zhejiang, Caitong Securities is committed to serving the overall interests by strengthening innovation based on the new positioning of the "first-class modern investment bank" set by the Provincial Party Committee and the Provincial Government of Zhejiang and the concept of "wherever Zhejiang entrepreneurs develop, Caitong will provide services". We improved the ESG governance system, implemented the principle of responsible investment, and adhered to the concept of "serving the real economy with financial resources". Under the guidance of the "137N" new strategic system, we served the overall interests, empowered the real economy, and deeply engaged in Zhejiang. We integrated ESG into the strategy, business development, corporate culture and compliance risk control of the Group, and further advanced technology finance, green finance, inclusive finance, pension finance, and digital finance, striving to create inclusive and shared value for all stakeholders.



Improving corporate governance

Guided by the industry culture of "compliance, integrity, professionalism, and prudence", we continuously refined the governance system, strengthened the function of the strategy and ESG committee, and improved the ESG management mechanism to constantly enhance the systematic and efficient ESG management. As an important means to drive the high-quality and sustainable development of the Company, ESG management is deeply embedded in the Company's corporate culture and business development strategy.

We strengthened the compliance risk control system and fully insisted on stable and compliant operation. We disclosed information in a fair, timely and accurate manner. We improved the compliance and risk management system in line with our business operation through digital measures to further promote a robust compliance culture and organically integrate ESG risk management with business development. We also established a comprehensive 3D supervision system to escort the sustainable development of the Company.



Leading green development

Under the goals of "carbon peaking and carbon neutrality" and the "two mountains" theory, we actively responded to the call of the Provincial Party Committee and the Provincial Government of Zhejiang to explore Zhejiang's path to support "carbon peaking and carbon neutrality" and "lucid waters and lush mountains are invaluable assets" with financial resources. We effectively promoted responsible investment by helping

investors understand the impact of ESG on investment and guiding investors to invest in green industries. We proactively assumed social responsibilities, promoted low-carbon and green development, and applied it to the investment by paying attention to the ESG performance of investment targets, so as to comprehensively improve the ecological value, social value, and humanistic value of investment management on the basis of asset preservation and appreciation and achieve the all-round integration of ecology, society, and human beings. We also implemented energy conservation and emission reduction measures to reduce energy consumption and carbon emissions in daily operations, in order to effectively contribute to sustainable development.



Fulfilling social responsibilities

Bearing the country's most fundamental interests in mind and staying true to the original aspiration of "finance to serve real economy", we sincerely spared no effort to provide more value-added and empowerment services for Zhejiang entrepreneurs and enterprises and grow into a securities company of Zhejiang entrepreneurs and enterprises. We focused on the three general goals of serving the overall interests, striving for the first-class modern investment bank, and eliminating risks and guaranteeing security, followed the basic path of deepening innovation, reform, and opening up, and built the new pattern of "investment bank + investment + wealth management" at a faster pace. Besides, we advanced high-quality development of 26 counties in mountainous areas by providing direct finance to entities, with an aim to help develop new quality productivity, enhance the wealth effect of residents, and empower the development of demonstration areas for common prosperity.

We value talents and endeavor to grow together with employees. We took new measures to train, attract, gather, identify, use and protect talents in an eclectic way. We also organized various activities to convey positive energy. For instance, we continued to improve the public welfare brand matrix of "Keeping Goodness in Heart" (一善染心) to collect little love into great love for society.

Deepening digital reform

Empowered by technology, we continued our efforts in digital reform. We adhered to the purpose of "empowering customers, employees, business, and development" and focused on creating the "1314N" digital reform toolbox centering on the concept of "1231" digital reform, in a bid to provide digital intelligence support for our business, build Caitong featuring scientific innovation, services, platform, and reform driven by technology, and enhance ESG management with high quality.

Looking forward, Caitong Securities will continue to focus on the central task and serve the overall interest, bear the mission of "building a strong financial powerhouse", deeply promote the construction of Caitong featuring scientific innovation, services, platform, and reform, and strive to become a leading ESG practitioner in the industry, so as to better serve the three "No. 1 projects" and "ten major projects", and stride forward to the goal of the "first-class modern investment bank".

Performance Highlights

Environmental performance

Indicator	2023 performance
Supporting green bond issuance	4 bonds
Total amount underwritten for green bonds	CNY2.02 billion
IPO projects serving green industries	2 companies
Total members of the green research team	182
Compiling green research reports	3,191
Rainwater recycling and reuse	2,992 cubic meters
Renewable energy usage	61,891 kWh

Social performance

Indicator	2023 performance
Total employees	4,522
Ethnic minority employees	91
Veteran employees	14
Employees outside the Chinese Mainland (including Hong Kong, Macao and Taiwan)	63
Labour contract signing rate	100%
Employee representative meetings held	5
Response rate to proposals at the employee representative meetings	100%
Employee medical check-up coverage	100%
Specialized, excellent, featured, and innovative enterprises for which we helped their IPO review	2
Specialized, excellent, featured, and innovative enterprises for which we helped their IPO offering	4
Total amounts underwritten for technology innovation bonds	CNY3.206 billion
Products for common prosperity sold	435 products with a sales amount of CNY17.472 billion

Indicator	2023 performance
Outlets in counties in mountainous and island areas	23, with a coverage rate of 71.88%
Amounts invested in public welfare during the year	CNY16.383 million
Investment in rural revitalization	CNY5.723 million
Investment in social welfare	CNY10.66 million

Governance performance

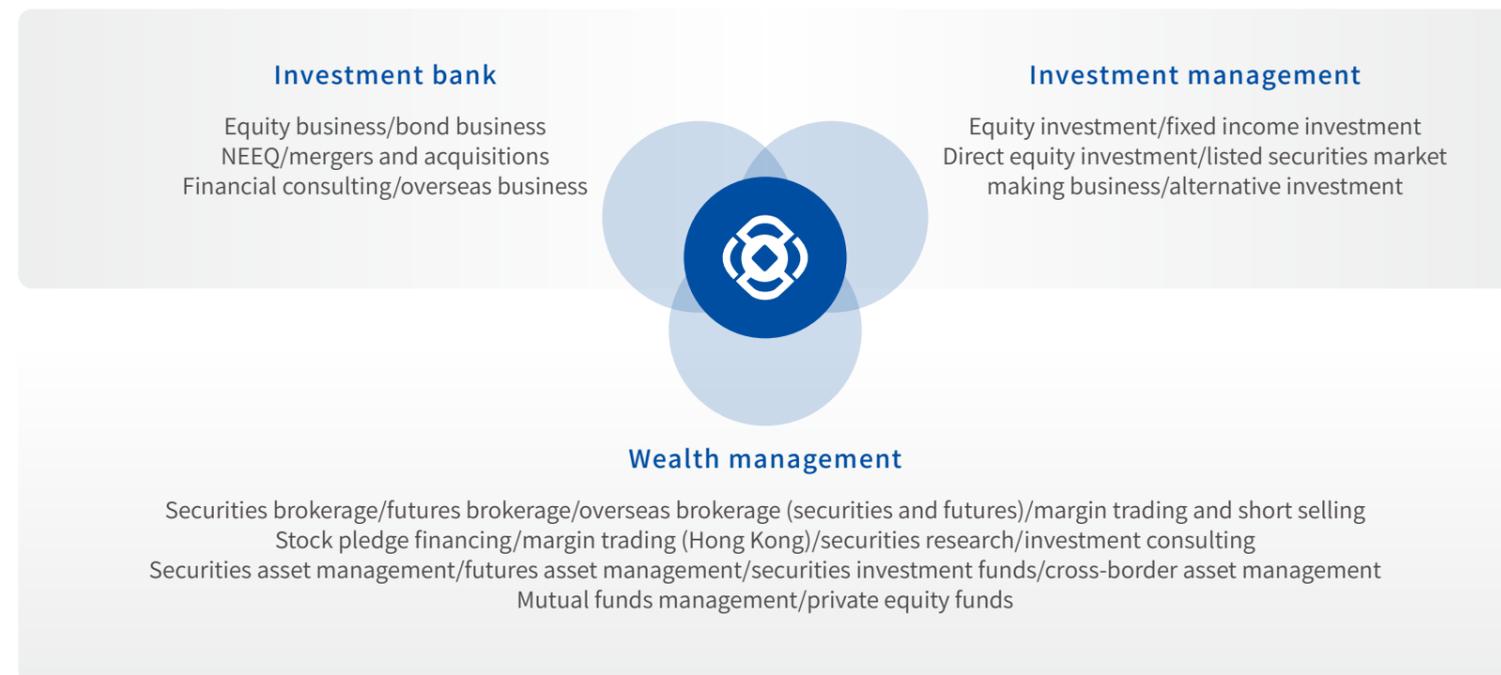
Indicator	2023 performance
Female directors	1
Female supervisors	1
Proportion of independent directors	33.3%
Questions answered on the e-interaction platform of Shanghai Stock Exchange	51
On-site reception activities hosted	17
Roadshows organized	3
Performance briefings held	3
Customer complaint response rate for three consecutive years	100%
Annual overall customer satisfaction	91.74%
Number of intelligent customer service enquiries as a percentage	49%
Total compliance inspections completed for the year	50+
Annual coverage of compliance inspection	more than 60%
Information on integrity and self-discipline released through all channels	44
Integrity warning education video views	18,226 person-times
Average anti-corruption training hours received by employees	13.57 hours
Total anti-money laundering trainings organized	13 sessions
External anti-money laundering trainings attended	7 sessions

About Caitong

Company profile

Caitong Securities Co., Ltd. is a comprehensive securities group with its characteristics headquartered in Hangzhou. It was founded as Zhejiang Finance Securities Company in 1993, transformed into Caitong Securities Brokerage Co., Ltd. in June 2003, upgraded to a state-owned enterprise directly under the provincial government in June 2007, and got listed on the Shanghai Stock Exchange in October 2017 under stock code 601108. At present, the Group has more than 6,000 employees and more than 210 branches. Its business is distributed across Zhejiang province and in central cities of China such as Beijing, Shanghai, Guangzhou, Shenzhen, Chongqing, Chengdu, Xiamen, and Nanjing, and its overseas services are extended to Hong Kong and Singapore. It consists of six subsidiaries, namely Caitong Securities Asset Management Co., Ltd., Zhejiang Caitong Capital Investment Co., Ltd., Caitong Innovation Investment Co., Ltd., Caitong Securities (Hong Kong) Co., Ltd., Yongan Futures Co., Ltd., and Caitong Fund Management Co., Ltd., which have built their corresponding characteristics and advantages in their respective segments.

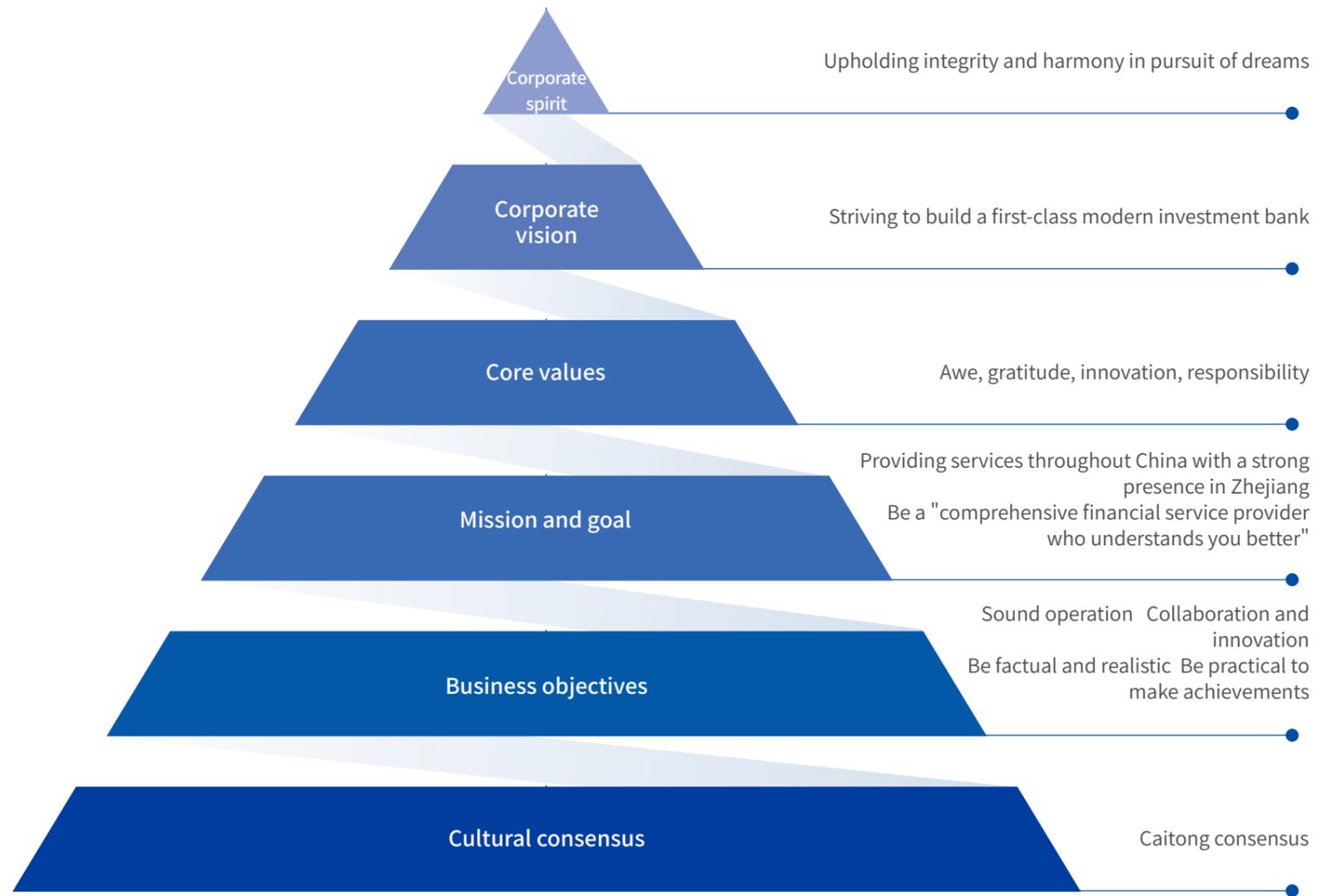
Business Segments of the Company



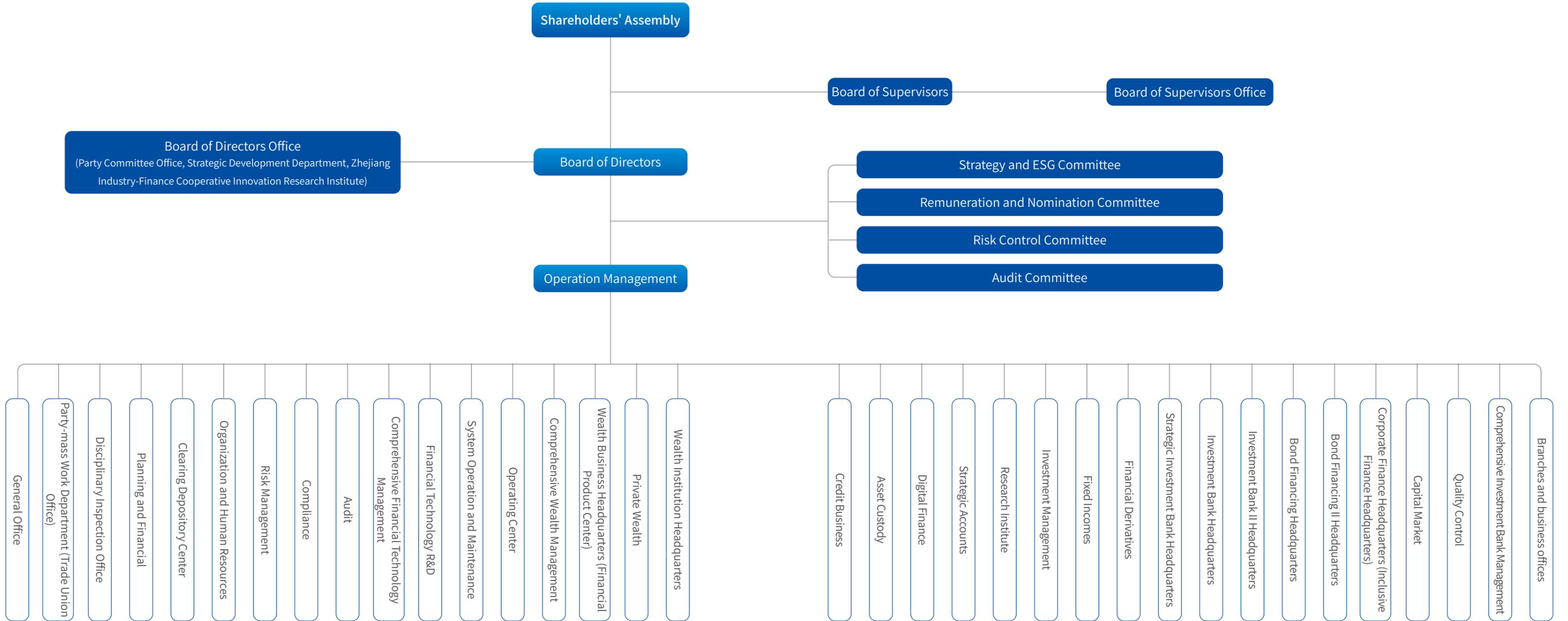
Group Structure



Corporate Culture and Philosophy System



Organizational Structure



Honors of Caitong

First Prize of Outstanding Zhejiang Financial Institutions Supporting the Economic and Social Development of Zhejiang

General Office of the People's Government of Zhejiang Province

2022 Excellent Applications of Digital Reform of State-owned Assets and State-owned Enterprises in Zhejiang Province

State-owned Assets Supervision and Administration Commission of Zhejiang Province

2022 Case of Best Practices for "Competing for Excellence" Projects Under Major Reform of State-owned Capital and State-owned Enterprises in Zhejiang Province

Office of Leading Group of Deepening State-owned Enterprise Reform of Zhejiang Province

"Xinhua Credit Golden Orchid Cup" for Outstanding Case of Responsible Investment

Directed by National Development and Reform Commission, hosted by Xinhua News Agency and the People's Government of Guangzhou Municipality

Here Come the Shareholders (2023) National Champion, Best Organization Award, Best Organizer Award, Best Co-organizer Award, Best Communication Ambassador, Shareholders Coming & Guardian Investors Top 10 Text and Video Insurance Cases

China Securities Regulatory Commission

2023 Good Word of Mouth Award for Finance Servicing People in Zhejiang Province

Zhejiang Daily Press Group · TideNews, Qianjiang Evening News

Annual Local Contribution Brand Award

International Financial News of People's Daily

2023 Zhejiang Primary and Secondary School Research and Practice Education Base

Department of Education of Zhejiang Province, Zhejiang Provincial Department of Culture and Tourism

2022 Case of Best Practices for State-owned Capital and State-owned Enterprises in Zhejiang Province to Support Common Prosperity

State-owned Assets Supervision and Administration Commission of Zhejiang Province

"Competing for Excellence" Projects Under Major Reform of State-owned Capital and State-owned Enterprises in Zhejiang Province

State-owned Assets Supervision and Administration Commission of Zhejiang Province

2022 Pioneer Stock Market Maker on the STAR Market

Shanghai Stock Exchange

"Xinhua Credit Golden Orchid Cup" for Outstanding Case of ESG Social Welfare Contribution

Xinhua News Agency

"Most Trusted Financial Institution by Zhejiang Entrepreneurs" Award

Zhejiang Daily Press Group

Excellent Sweet Potato Economy Case at the 5th High-quality Development Think Tank Forum

Zhejiang Federation of Humanities and Social Sciences, Zhejiang Daily Press Group, Zhejiang Development & Planning Institute

The Third (2023) Best Integration Case of "Jinxintong" Financial Technology Innovation Application

China Academy of Information and Communications Technology

The First China Securities Industry Junding Award — Investment Consulting Services APP

Securities Times

2023 China Securities Industry Junding Award — M&A Financial Advisor

Securities Times

2023 China Securities Industry Junding Award — Investor Education

Securities Times

Golden Fund · Growth Fund Management Company Award

Shanghai Securities News

2023 Jinding Award — Most Powerful Asset Management Securities Company

National Business Daily

2023 Jinding Award — Most Characteristic Fund of Funds of Securities Companies

National Business Daily

2023 "CSR Competitiveness" Typical Responsibility Cases Selection — "ESG Enterprise Demonstration Case" Award

China Business Journal

Most Promising Investment Bank

www.xcf.cn

2023 Best Practice Cases for Board of Directors of Public Companies

China Association for Public Companies

2023 China Securities Industry Junding Award — Overseas Investment Bank

Securities Times

2023 China Securities Industry Junding Award — Universal Asset Management Institution

Securities Times

2023 Jinding Award — 2023 TOP30 Listed Companies in China Securities Industry for Brand Value

National Business Daily

2023 Jinding Award — Best Account Customer Investment Products

National Business Daily

Active Equity Product Innovation Demonstration Case

CHINAFUND

2022-2023 China Best Fund of Funds of Securities Companies

ChineseVenture

2023 Typical Cases for Digital Transformation of Public Companies

China Association for Public Companies

2023 Excellent ESG Practice Cases of Public Companies

China Association for Public Companies

Column

Building Caitong Featuring Scientific Innovation, Services, Platform, and Reform, Striving for "First-class Modern Investment Bank"

As a state-owned securities company directly affiliated to the Provincial Party Committee or the Provincial Government of Zhejiang, Caitong Securities bears the country's most fundamental interests in mind and has always put the financial function in the first place. Based on the new positioning of the "first-class modern investment bank" set by the Provincial Party Committee and the Provincial Government of Zhejiang and following the journey of building Caitong featuring scientific innovation, services, platform, and reform, we are committed to channeling financial resources into the real economy by utilizing comprehensive financial service tools of "investment bank + investment + wealth management". Taking the "Eight-Eight Strategy" as the general guiding principle, the Company effectively unified its thoughts and actions into the spirit of General Secretary Xi Jinping's important speeches and the decisions of the CPC Central Committee, and incorporated the spirit of the Central Financial Work Conference into its entire development process of building Caitong featuring scientific innovation, services, platform, and reform, so as to build a first-class modern investment bank and provide more beneficial explorations and solutions for building a financial powerhouse.

Building Caitong featuring scientific innovation, services, platform, and reform



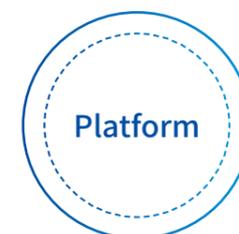
Boosting innovation to better serve the digital economy and improve the "No. 1 development project"

- Establishing a comprehensive financial service system for "specialized, excellent, featured, and innovative" enterprises, and ranking first in Zhejiang in terms of the number of companies we tutored for listing on the Beijing Stock Exchange
- The Fund of Funds of Hangzhou Chengxi Sci-tech Innovation Corridor with a total scale of CNY4 billion was officially put into operation



Deepening reform to better serve the business environment and optimize the "No. 1 reform project"

- Providing direct financing of CNY165.8 billion to enterprises, with an increase of CNY60.5 billion over the previous year
- Establishing pilot bases for inclusive services throughout the entire life cycle of enterprises in Jinyun, Lishui, Zhejiang, and Pingyang, Wenzhou
- Carrying out in-depth cooperation with major chain enterprises such as Alibaba, Ant Group, Geely and Chint, and gradually standing out for the industry-finance cooperation cases
- Building "Easy Investment in Zhejiang", a digital ecological platform for direct financing



Strengthening opening up to better serve the "sweet potato economy" and upgrade the "No. 1 opening-up project"

- Establishing a "one account" mechanism for cooperation with local governments (we have established strategic cooperation with 9 prefecture-level cities and 51 county-level governments in the province, with a coverage rate of 100%)
- Launching activities to provide financial support to more than 3,000 Zhejiang entrepreneurs and enterprises
- Participating in the construction of the Zheshang Research Center, leading the establishment of the Industry-Finance Cooperation Committee, carrying out four industry-finance cooperation activities, establishing the Zhejiang Industry-Finance Cooperative Innovation Research Institute to magnify the aggregation effect of financial resources, and gradually forming an effective channel for multi-party cooperation among governments, financial institutions and enterprises



Striving for a national first-class modern investment bank to better enhance the capability to serve the "three No. 1 projects"

- Innovating on functional positioning. We strived to build a new Caitong driven by three businesses of "investment bank + investment + wealth management" by the end of the "14th Five-Year Plan" period
- Reforming the governance system. We strengthened the awareness of "One Caitong", built a collaborative, integrated and efficient group army combat mode, improved the strategic decoding mechanism, classified assessment mechanism, and incentive and constraint mechanism, and created a united, problem-solving and closed-loop entrepreneurial atmosphere
- Strengthening opening-up. We intensified resource integration and collaboration through extensive cooperation with governments and regulatory authorities, industry institutions and chain enterprises across the province, so as to prevent risks and ensure safety while promoting the development

Column

Being a Securities Company of Zhejiang Entrepreneurs and Enterprises

Adhering to the concept of "wherever Zhejiang entrepreneurs develop, Caitong will provide services", Caitong Securities insists on developing Zhejiang economy and Zhejiang people's economy, and strives to become a securities company that most understands Zhejiang people and mainly provides services for Zhejiang entrepreneurs and enterprises. In 2023, Caitong Securities played its resource aggregation function as a provincial financial platform and established strategic cooperation with 9 prefecture-level cities and 51 county-level governments in Zhejiang Province, with the coverage rate of "one account" mechanism reaching 100%. At the same time, the Company signed contracts with the General Association of Zhejiang Entrepreneurs and 4 local Zhejiang chambers of commerce, and joined the Listed Company Committee of the General Association of Zhejiang Entrepreneurs as an honorary director unit, visited and received 16 offices of Zhejiang chamber of commerce in other provinces throughout the year, and carried out 25 activities with local chambers of commerce.



Case | Financial Support Activities for Enterprises

In April 2023, at the capital market sub-forum of the 7th Global Private Equity West Lake Summit, Caitong Securities officially launched a series of financial support activities to help establish a industry-finance cooperation ecosystem of Zhejiang enterprises and advance the integrated development of Zhejiang economy and Zhejiang people's economy. As of the end of 2023, we focused on Zhejiang entrepreneurs and enterprises, and carried out three financial support activities in Hangzhou, Taizhou and Quzhou, covering more than 3,000 Zhejiang entrepreneurs and enterprises.



Launch Ceremony of Financial Support Activities

Case | A New Type of Think Tank Boosted High-quality Development of Zhejiang Entrepreneurs

In June 2023, the Zhesang Research Center Establishment Conference was held in Hangzhou, and Caitong Securities participated in its establishment as a special support unit. As the only securities company directly affiliated to the Provincial Party Committee or the Provincial Government of Zhejiang, Caitong Securities led the establishment of the Industry-Finance Cooperation Committee of Zhesang Research Center. This committee adheres to the public welfare and service-oriented positioning and focuses on the investment and financing needs of Zhejiang entrepreneurs and enterprises by giving full play to its professional advantage in comprehensive financial services, aiming to help build an industry-finance cooperation ecosystem of Zhejiang entrepreneurs and empower the high-quality development of Zhejiang entrepreneurs and enterprises.



Zhesang Research Center Establishment Conference

Column

Practicing the Investor-based Concept and Cultivating Financial Culture with Chinese Characteristics— Caitong Securities Successfully Hosted the event of Here Come the Shareholders

As the only securities company directly affiliated to the Provincial Party Committee or the Provincial Government of Zhejiang, Caitong Securities keeps in mind the fundamental purpose of finance to serve the real economy, earnestly practices the investor-based concept, attaches great importance to investor education and protection, strives for the goal of common prosperity by leveraging its professional and regional advantage, and demonstrates its responsibility and commitment as a state-owned enterprise. On the occasion of the 30th anniversary of the establishment of Caitong in 2023, the Company undertook the activity of Shareholders Coming (2023) Zhejiang Area and won the national champion and the Best Organization Award after going through the mobilization and deployment stage where we strived for a good performance and the final stage where we competed with the leading securities firms, which not only attracted the attention and applause from all walks of life, but also showed the style of Zhejiang capital market and Caitong's strength and courage. Also, there was extensive experience for public reference.

Adhering to deployment and planning from a high height, implementing the investor-based concept throughout the activity, and focusing on telling the story of reform and development in Zhejiang capital market

Zhejiang Securities Regulatory Bureau, as the organizer of the activity for the first time, invited Zhejiang Banking and Insurance Regulatory Bureau as a special support unit and established a contact mechanism in close contact with the securities regulatory bureaus of the competition areas to strengthen organizational protection. Caitong Securities immediately organized the preparatory meeting for Shareholders Coming Zhejiang Area, extensively mobilized securities and futures institutions, investor education bases and other market players within its jurisdiction to actively participate in the activity, fully guaranteed the smooth development of the activity, and expanded the influence and coverage of the activity. Combined with the "May 15 National Investor Protection Publicity Day", the Company organized the launch meeting of Shareholders Coming, marking the official kick-off of the Shareholders Coming Zhejiang Area.



Preparatory Meeting for Shareholders Coming Zhejiang Area

Insisting on efficient promotion and high-quality innovation, promoting online communication and offline promotion simultaneously, and striving to expand the coverage and influence of Shareholders Coming

Caitong Securities attaches great importance to media publicity, and released more than 1,100 original news reports related to Shareholders Coming Zhejiang Area in the form of media reports, Weibo, WeChat, and short videos through Zhejiang Satellite TV, Zhejiang Economic TV, Qianjiang City, Xinhuanet, TideNews, quanjing.com, Sina Weibo, Toutiao, Douyin and other media channels, with a viewership of nearly ten million times.

During the preliminary competition, 724 activities were held in colleges and universities, 312 activities were held in listed companies, 253 activities were held in investor education bases, and 1,899 activities were held in communities. More than 6 million people participated in characteristic activities such as healthy run and investor education marketplace. The number of registered users for Shareholders Coming Zhejiang Area reached 2.39 million and the number of regional registered users reached 1.75 million, both ranking first in all regions in China.



Shareholders Coming Zhejiang Area Poster

Upholding high-level design and high-quality polishing, deeply integrating investor education activities with regional characteristics, and striving to improve the sense of participation and gain for the Shareholders Coming activity

During the Shareholders Coming activity, Caitong Securities carefully designed each activity, expanded the breadth and depth of Zhejiang's regional characteristics by leveraging its regional advantage in branch network in combination with the investor education brand of "Caitong Path to Financial Management", and upheld the main theme of "welcoming the Asian Games, pursuing dreams and common prosperity" throughout the competition. We set up a structure comprising three projects, namely "Welcoming the Asian Games", "Tracing the Source", and "100 Lecturers", and held a series of distinctive and characteristic investor education activities, such as the Registration-based IPO System "Flash Mob" Training Camp, "Investor Education for Grassroots Employees", "Into Listed Companies", "Immersive Asian Games Experience", Future Shareholder Growth Camp, Caitong Industry Insight, and Shareholders Coming Live Streaming Program.



Shareholders Coming Special Investor Education Activity

Shareholders Coming Caitong Team

Sound Operation Practicing the Sustainability Concept

Adhering to the guidance of Party building
Improving corporate governance
Strengthening risk control and compliance
Abiding by business ethics



Adhering to the guidance of Party building

Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Company conscientiously studied and implemented the spirit of General Secretary Xi Jinping's important statement on the reform and development of state-owned enterprises and Party building and his important speech made during his visit to Zhejiang Province, and thoroughly studied and implemented the spirit of the 20th CPC National Congress, the Central Financial Work Conference and the 15th Provincial Party Congress. We further improved the overall leadership system of the Party, strengthened Caitong's anti-corruption, cultivated a new integrity and harmonious vibe, integrated our resource advantage to support the "two firsts", concentrated efforts on reform and development, and improved the development quality of Caitong with intelligent governance system, striving to achieve a second leapfrog and made contributions to the Zhejiang practice under the Chinese path to modernization.

Improving corporate governance

Operation of three governing bodies

The Company strictly followed the requirements of *the Company Law of the People's Republic of China*, *the Securities Law of the People's Republic of China*, *the Regulations on the Supervision and Administration of Securities Companies*, *the Guidelines on the Governance of Securities Companies*, *the Guidelines on the Governance of Listed Companies*, and other documents to build a governance structure featuring mutual independence, mutual cooperation, clear division of rights and duties, and checks and balance, hence ensuring the comprehensive and effective system for corporate governance. As the leadership core and political core in the governance structure, the Party Committee is responsible for the development of the enterprise and takes active measures to establish a mechanism for communication with the Shareholders' Assembly, the Board of Directors, the Board of Supervisors, and the management to support their exercise of duties in compliance with the law.

In 2023, the Company

held **3** Shareholders' Assembly where **15** proposals were considered and adopted

held **9** meetings of the Board of Directors where **52** proposals were considered and adopted

The Board of Directors consists of **9** directors, including **3** independent directors, **1** employee director, and **1** female director

Note: From February 2024, the number of board members of the company will be 11, including 4 independent directors.

In 2023, the Company

held **4** meetings of the Board of Supervisors where **31** proposals were considered and adopted

The Board of Supervisors consists of **5** supervisors, including **1** female supervisor



Board independence and diversity

The Company believes that the independence and diversity of the Board of Directors is a key factor to protect the interests of shareholders and maintain the stability and long-term performance of the Company. The Remuneration and Nomination Committee takes into account the professional experience, skills, knowledge, tenure of service, region, culture, educational background, gender, and age of Board members when reviewing and evaluating suitable candidates to serve as directors of the Company. The current members of the Board of Directors come from different industries and have extensive work experience. Their professional fields cover law, risk management, accounting, and finance, which is conducive to the scientific decision-making of the Board of Directors. The Remuneration and Nomination Committee is responsible for evaluating the independence of the Board of Directors, ensuring that the number and composition of the Board of Directors of the Company comply with laws and regulations, and that the number of independent directors exceeds one third of the total number of directors. At the same time, the Company invites independent directors to serve as the chairman or members of the special committees of the Board of Directors, and allows directors to consult other independent professionals for independent advice when appropriate to improve their advice and decision-making capability.

In 2023, the Company

had **1** female director

Independent directors

accounted for **33.3%**



Board of Directors' Performance Honor

In 2023, the company received various honors awarded by the China Association for Public Companies

the "Best Practice Case of Listed
Company Board Office in 2023"

Awarded the "Best Practice Case"
in the "2023 Best Practice Creation
Activity for Listed Company Boards"

Received a "5A" rating in the
"Evaluation of Listed Company Board
Secretary's Performance"



ESG management

The Company has incorporated ESG into its strategy, business development, corporate culture, and compliance risk control, and pays continuous attention to the impact of its own development on the environment and society. The Company's Board of Directors comprehensively supervises matters related to ESG. Under the Board of Directors, there are the ESG Committee and ESG Management Team; moreover, ESG specialists are designated at the relevant departments of the headquarters and at subsidiaries to continuously improve professional ESG capabilities and management.

ESG management system



ESG rating and market recognition

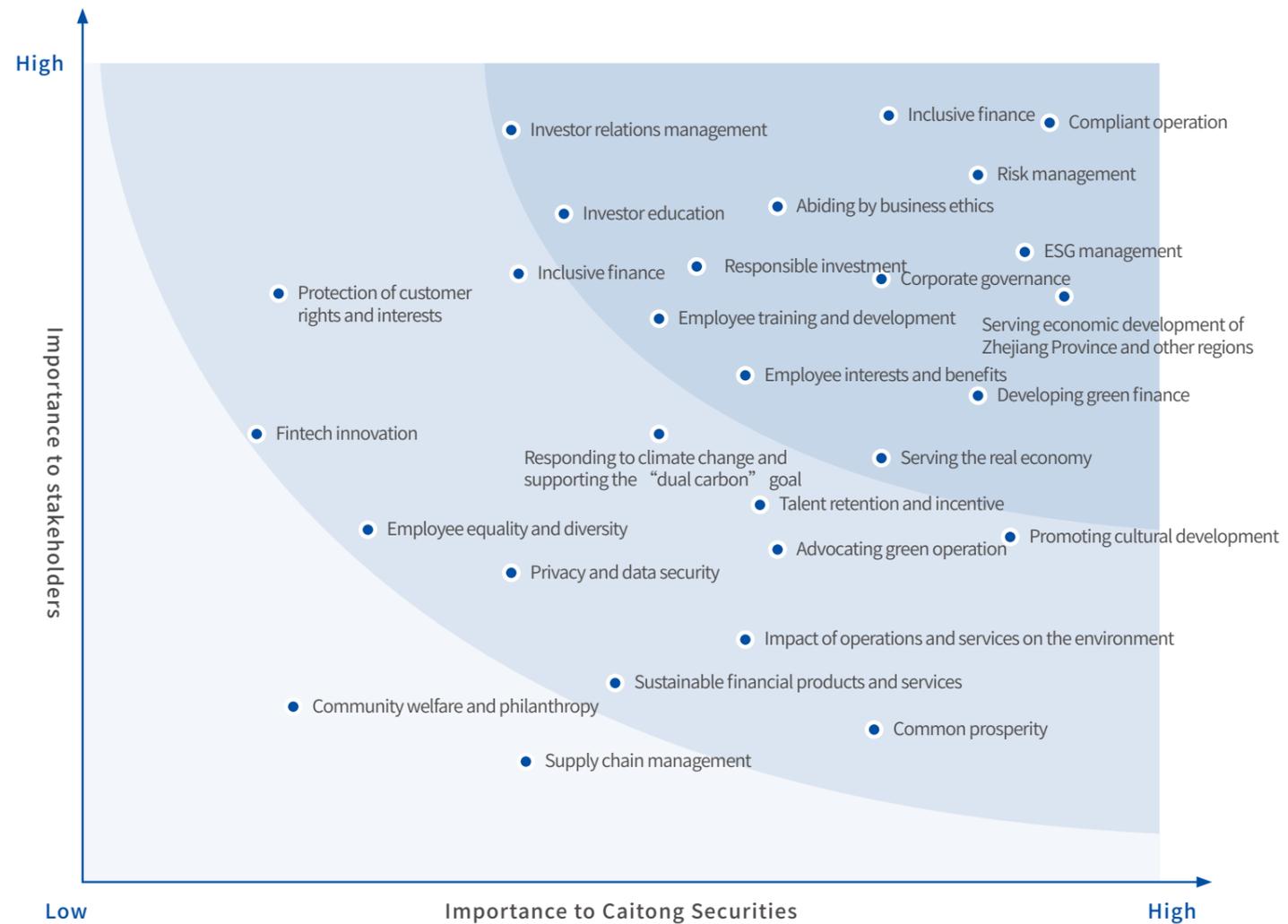
- MSCI ESG rating remained at BB
- Refinitiv ESG rating reached B+
- Wind ESG rating reached BB
- Wind ESG rating reached BB



Communication with stakeholders and materiality analysis

The Company attaches great importance to effective communication with various stakeholders. We have established a normalized mechanism for communication with stakeholders, including shareholders and investors, customers, employees, government and regulatory authorities, suppliers and partners, and communities, so as to get an in-depth understanding of and actively respond to the expectations and appeals of various stakeholders, and incorporate key concerns of such parties into our daily operation and decision-making to create shared value.

Stakeholders	Issue of Concern	Communication Channel and Method
Shareholders and investors	<ul style="list-style-type: none"> • Investor relations management • Investor education • Corporate governance 	<ul style="list-style-type: none"> • Shareholders' Assembly • Regular information disclosure • Investor survey and interaction • Performance briefings • Construction of the investor education base
Customers	<ul style="list-style-type: none"> • Protection of customer rights and interests 	<ul style="list-style-type: none"> • Customer service hotline • Caitong Securities APP • Customer satisfaction survey • Construction of investor education bases
Employees	<ul style="list-style-type: none"> • Employee training and development • Employee interests and benefits • Employee equality and diversity • Talent retention and incentive 	<ul style="list-style-type: none"> • Employee representative meeting • Training sessions • Employee activities • Greeting by the Trade Union
Government and regulatory authorities	<ul style="list-style-type: none"> • Compliant operation • Risk management • ESG management • Common prosperity • Serving economic development of Zhejiang Province and other regions • Serving the real economy • Promoting cultural development 	<ul style="list-style-type: none"> • Participating in government survey activities • Strengthening compliance risk control • Implementing the financial advisory system • Construction of investor education bases • Promoting efforts for industry culture building
Suppliers and partners	<ul style="list-style-type: none"> • Supply chain management • Advocating green operation 	<ul style="list-style-type: none"> • Cooperation and exchange • Contract performance
Community	<ul style="list-style-type: none"> • Community welfare and philanthropy • Advocating green operation 	<ul style="list-style-type: none"> • Voluntary services • Public welfare activities • Green office • Green finance



ESG management practices

In December 2023, the Company held the 2023 ESG project launch meeting and carried out ESG special training. At the meeting, the ESG trend, ESG management improvement practice and ESG-related disclosure in 2023 were discussed. The Company has clarified the importance of ESG management and its impact on future development, and pointed out that the Company will integrate ESG principles, respond to the challenges in global sustainable development, and enhance corporate competitiveness and brand value, so as to establish a more solid business foundation and attract more investors and partners.



2023 ESG Project Training Launch Meeting of Caitong Securities

Investor protection

In accordance with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Guidelines for Investor Relations Management of Listed Companies* and other relevant provisions, the Company has established and improved the *Investor Relations Management System* based on its actual situation, and advanced investor relations management through multiple channels, platforms and ways under the basic principles of compliance, equality, initiative, and good faith, hence effectively protecting the legitimate rights and interests of investors, especially small and medium investors.

In 2023, the Company

was rated Grade A for information disclosure by the Shanghai Stock Exchange



answered **51** questions on the
e-interaction platform of the
Shanghai Stock Exchange

held **17** on-site
reception activities

organized **3**
roadshows

held **3** performance
briefings

Caitong Securities attaches great importance to the interests of investors. In 2023,

we are the **first securities company in the industry** to distribute interim dividends for 2023, and the annual cash dividend ratio since our listing exceeds **30%** of the net profit attributable to ordinary shareholders of the listed company in the consolidated financial statement

We distributed dividends **twice**, with CNY **0.1** per share in 2022 and CNY **0.05** per share in 2023

Investor protection

The Company has been actively engaged in the public welfare investor education undertakings, and adheres to the investor-based concept. We continuously improve investor education bases and carry out diversified investor education activities through multiple channels, multi-dimensions and multi-levels, in a bid to effectively help small and medium investors understand securities and futures knowledge, and guide investors to establish rational investment concepts, enhance risk prevention awareness and strengthen anti-fraud awareness. In 2023, our investor education bases participated in the national base index assessment for the first time and obtained a "good" evaluation.

Customer services

Taking customers as the center, the Company has built a strategic customer resource center and an integrated sharing platform through an innovative and synergistic reform, which can provide comprehensive whole life cycle financial services. We have also formulated documents, such as *the Management Measures for Customer First Question Responsibility* and the *Investor Complaint Handling System*, to optimize customer experience and enhance service quality.

In 2023,

our customer complaint response rate has reached **100%** for three consecutive years

our overall customer satisfaction for the year reached **91.74%**

the number of intelligent customer service enquiries accounted for up to **49%**, with the service quality and efficiency both improved

Responsible marketing

The Company advocates responsible marketing, values the authenticity of product marketing information, and strictly complies with the rules and guidelines of industry associations when marketing products. We eliminate unfair competition, do not exaggerate or deceive content, do not falsely report services or prices, and do not make misleading statements to competitors. In respect of investment bank business, we strictly manage marketing personnel's publicity and promotion to ensure that contractors can conduct timely and accurate publicity under the condition that they fully understand our products and services; we strictly supervise contractors' services and establish a tracking and feedback mechanism to ensure their service quality. In terms of fund business, Caitong Capital, a subsidiary of the Company, revised *the Fundraising Management System* in 2023. This revision especially emphasized the importance of investor suitability and risk warning, prohibited false records, misleading statements or major omissions in recommendation materials, and prohibited promising returns and other behaviors with exaggerated or one-sided fund promotions.

Strengthening risk control and compliance

The Company continued to deepen the grand supervision system, built a grand supervision platform consisting of the "sharing center, profile center, and collaboration center" under the requirements of being "unified and efficient, joint efforts, early measures, and precise and efficient", and integrated the supervision functions of discipline inspection, audit, patrol inspection, compliance risk control, and the Board of Supervisors to form a grand supervision force. Meanwhile, the Company explored a new mode of "clean and compliance" supervision in line with the characteristics of the securities industry. We integrated discipline inspection and compliance supervision, set up a leading supervision group for key areas, and explored the establishment of supervision groups in key areas to conduct supervision in advance and better understand business, so as to build a clean and compliance Caitong and facilitate our steady and long-term high-quality development.

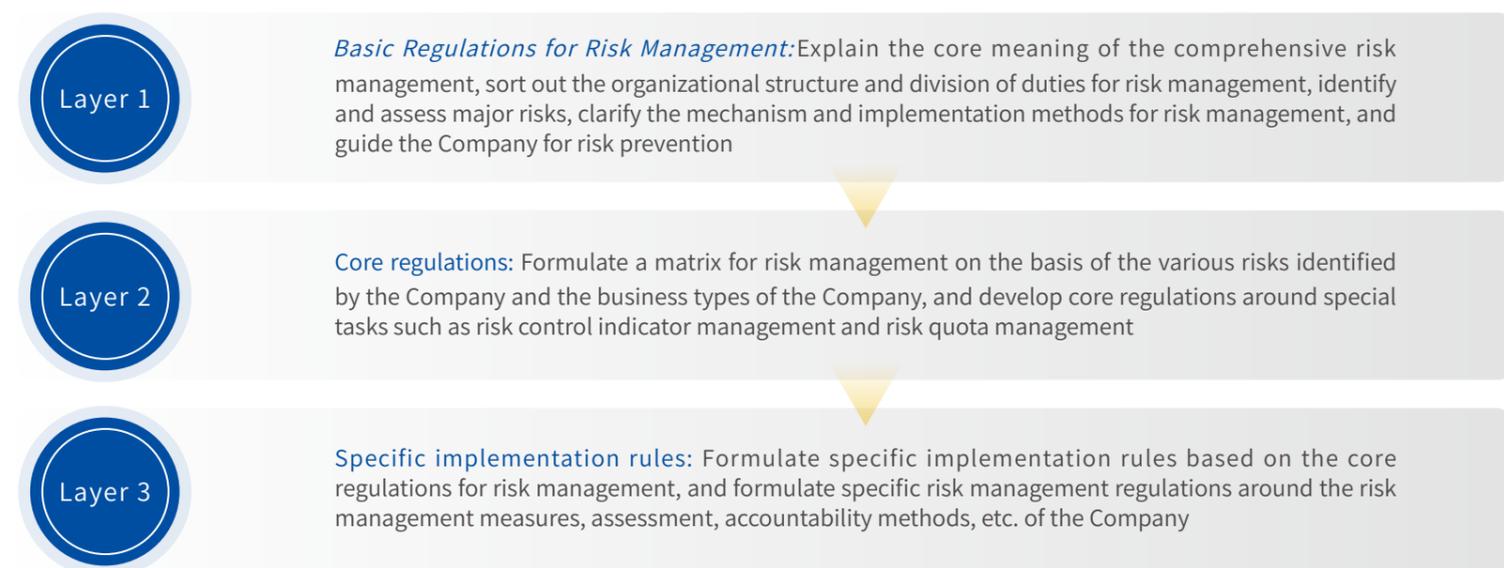
Risk management

The Company established the idea of comprehensive risk management in line with the requirements for risk control in the financial industry and its goals of risk management and control. The idea of comprehensive risk management called for the participation of the Board of Directors, managers, and all employees and subsidiaries of the Company. Under the strategic goals, the Company identified, assessed, monitored, and managed various risks in its business operation, and incorporated subsidiaries into the system of comprehensive risk management of the Company.

Organizational structure of risk management



Risk management system



Risk identification and early management

The Company carried out annual risk identification, identified six types of risks that may be faced in operation, and formulated risk management plans and measures on this basis.

- Established a risk quota management system and set the Company's market risk tolerance and overall risk quota
- Monitored market risk quota on a daily basis to give early warning and control risks in a timely manner
- Analyzed and evaluated market risks through stress tests and multi-dimensional evaluation methods

- In terms of securities credit business, the Company strengthened credit risk control through due diligence, collateral and subject matter access management, concentration control, marking to market on a daily basis, strengthening real-time monitoring, etc.
- In terms of bond investment, the Company conducted whole-process management of credit risks by assessing the risk status of issuers, setting access standards, timely adjusting positions and clarifying the default disposal process
- In terms of the derivatives trading business, the Company controlled credit risks by conducting credit management for counterparties, using risk mitigation measures and clarifying the default disposal process

- Established the early assessment mechanism and emergency management mechanism for reputation risks, so as to proactively and effectively prevent reputation risks and respond to reputation risk events
- Established a media communication mechanism under unified management
- Upgraded the digital management system for reputation risks, carried out public opinion monitoring, research, and judgment relying on information technologies, carried out hierarchical and classified management of reputation risk events, and improved the rapid response and disposal efficiency of reputation risks
- Upgraded the digital management system for reputation risks, carried out public opinion monitoring, research, and judgment relying on information technologies, carried out hierarchical and classified management of reputation risk events, and improved the rapid response and disposal efficiency of reputation risks

- Continuously strengthened institutional framework and consolidated the information technology security system
- Implemented hierarchical management of information systems and strengthened the operation and maintenance support capabilities of important information systems
- Established and improved an all-round information security protection system
- Strengthened safety awareness publicity and skill training of employees
- Established and strengthened the information security management system of branches
- Improved the mechanism for effective communication and sharing of information technology risks

- Strengthened daytime liquidity management and daily financing management
- Implemented liquidity risk indicator monitoring and risk quota management
- Carried out liquidity management business for high-rated bond assets
- Established a three-level liquidity reserve pool, improved the Company's debt structure, strengthened financing channels, and established and improved the liquidity risk management information system
- Conducted stress test on liquidity risk indicators, and applied the stress test results to relevant decision-making processes of the Company
- Formulated an emergency plan for liquidity risks and conducted regular emergency drills

- Clarified the organizational structure, division of responsibilities, management process and cultural development of operating risks, and strengthened the responsibilities of each line of defense for operating risks
- Continued to strengthen business process management and information technology system
- Further enhanced the management capabilities for operating risks through the establishment and application of risk management tools such as key risk indicators for operating risks, loss data collection, and risk and control self-assessment
- Strengthened training and publicity, and strictly implemented accountability
- Established the system and process for risk management of new businesses

Regular meetings and diverse activities



- Issued the risk management culture development plan to resolutely implement the specific tasks of risk culture development, publicize the risk management concept, and promote the integration of risk management and business development.



- Organized multi-level and multi-type exchanges to enhance risk management awareness and capability, produced a series of professional courses on risk control knowledge, and organized group risk management meetings, special trainings, regular meetings of business departments, periodical publications, etc. to publicize the Company's risk culture, interpret risk policies, and output the risk management concept and professional experience.



- Gave full play to the leading role of assessment and revised *the Measures for Risk Management Assessment* and *Detailed Rules for Risk Management Assessment of Subsidiaries* to optimize assessment indicators, strengthen the performance assessment system linked to the risk management performance, and enhance the risk awareness of all employees.

The Company held the first risk management work conference of the Group in 2023

To implement the instructions of the Party Committee on making every effort to build Caitong featuring scientific innovation, services, platform, and reform, iteratively update the "137N" innovative development strategy, enhance risk awareness and capability, and improve risk management, the Company held the first risk management work conference of the Group in 2023. Risk management personnel of all departments and branches of the headquarters, persons in charge of risk management of subsidiaries and relevant personnel attended the conference.

The meeting emphasized that all business departments of the Company should strictly observe the general goal of eliminating risks and guaranteeing security, fully realize that there may be new risks under the new development pattern, and carry out the innovation and breakthrough in methods and tools for risk management. The meeting analyzed the risks faced by the Company under the new economic situation in 2023, and emphasized that the Company should be committed to ensuring the dynamic balance between risks and returns, match risk management capabilities with business expansion, and promote steady development. The meeting also carried out special training on risk management, which further publicized and developed our risk management culture.

The Company held the second risk management work conference of the Group in 2023

To further implement the spirit of our main leaders' speech at the 2023 semi-annual work conference, comprehensively summarize our risk management efforts in the first half of 2023, and start the work of consolidated financial statements, the Company held the second risk management work conference of the Group in 2023. Risk management personnel of all departments and branches of the headquarters, persons in charge of risk management of subsidiaries and relevant personnel attended the conference.

The conference put forward requirements for high-quality risk management in the second half of the year. First, we shall deeply understand the overall situation, adhere to the bottom line of risk and pay close attention to key projects; Second, we shall deeply understand long-term consciousness to create a century-old company with a long-term view; Third, we shall deeply understand the service consciousness and promote collaborative development through empowerment. The conference also carried out special training on risk management, and external experts introduced the regulatory dynamics and industry practices of comprehensive risk management and the consolidated financial statements of the Group, laying a solid theoretical foundation for the subsequent tasks on consolidated financial statements.

Compliance management

In accordance with *the Regulations on the Supervision and Administration of Securities Companies, Measures for Compliance Management of Securities Companies and Securities Investment Funds*, *Guidelines for Implementation of Compliance Management of Securities Companies*, and other relevant laws and regulations, the Company has formulated systems such as the *Basic System of Compliance Management*, *Manual of Integrity Compliance*, *Measures for Compliance Inspection*, and *Implementation Rules for Compliance Accountability*, managed the compliance of our business activities and employees' professional behaviors through compliance review, supervision and inspection, and established a sound compliance management system.

In 2023, the Company

Has consecutively received the **A-Class A-Grade** rating in the Securities Regulatory Commission's classification evaluation of securities companies for **9** years, and has now been included in the white list of securities companies



Compliance management system of the Company



Improving the compliance system

The Company revised *the Compliance Management Measures for Employees' Behaviors* and *the Professional Integrity Management Measures*, and amended the content of the Compliance and Integrity Commitment to clarify the red line and bottom line of employees' practice.

Carrying out in-depth compliance inspection

The Company completed more than 50 compliance inspections of headquarters departments, investment bank projects, branches and subsidiaries throughout the year, with the annual coverage of compliance inspections reaching more than 60%.

Iterating intelligent compliance system

In 2023, the Company launched the self-developed "Empowerment Service Center" to create a standardized and digital window for the middle and back offices serving the front office. By the end of the reporting period, the Empowerment Service Center recorded 106 empowerment services which were provided to 42 business departments and branches of the headquarters in total.

Strengthening compliance publicity

The Company formulated and promoted the implementation of the 2023 Compliance Culture Publicity Plan. With the "Compliance Window" and the Company's online learning platform as the carrier, the Company carried out more than 100 special trainings and publicity through short videos, briefings, fun activities, publicity month, case reports and tests for compliance personnel, wealth consultants, unit heads, and new employees.

Abiding by business ethics

Anti-corruption management

The Company strictly abides by the Provisions on the Professional Integrity of Securities and Futures Business Institutions and Their Employees, Opinions on Strengthening the Prevention and Control of Professional Integrity Risk of Third Parties Retained by Securities Companies in the Investment Banking Business and other requirements, adheres to the working concept of "integrating integrity and development", establishes and improves the long-term management mechanism. The Statement on Integrity Management of Caitong Securities Co., Ltd. was formulated and issued to establish a closed-loop management system before, during and after the event and to strengthen the prevention and control of integrity risks.

The Company strengthened anti-corruption management and set up a professional integrity management structure. The Party Committee of the Company is the highest responsible body for integrity management, the principal person in charge of the Company is the first person responsible for performing integrity management responsibilities, and the heads of departments and subsidiaries perform their management duties within the scope of their responsibilities.

In 2023, the Company

formulated **5** new anti-corruption systems
revised **1** relevant system

Reporting channels and whistleblower protection

The Company publicizes the discipline inspection mailbox and the complaint mailbox through its official website and other channels. Any violations can be reported through the mailboxes, and real-name reporting is encouraged. To protect whistleblowers, the Company strictly abides by the *Working Rules for Discipline Inspection and Supervision Organs to Handle Accusations and Complaints*, and strictly keeps confidential the acceptance and investigation of accusations and complaints, as well as the name, the company, home address and other information of the informants and complainants and the details of accusations and complaints. If any institution or individual is found to attack or retaliate against the informant under any excuse, the leadership of the Company shall be informed immediately and deal with the matter seriously according to relevant provisions. If the crime is constituted, such institution or individual shall be transferred to the judicial organ according to law.

Training and integrity culture development

The Company develops the integrity culture through online and offline means, and provides anti-corruption training for all employees, including shareholders, contracted workers and temporary laborers. The Company launched an education platform called "Clean Caitong", opened a Caitong column on the online learning platform, and carried out a series of integrity activities. Besides, Party organizations at all levels, branches, business outlets, and subsidiaries held a number of offline activities to publicize the concept of "diligence and integrity".



Integrity Education

In 2023, the Company

released **44** pieces of information
on integrity and self-discipline
through various channels

The integrity education video was
viewed by **18,226** person-times

Employees received **13.57** hours
of anti-corruption training on average

Anti-money laundering management

The Company has established and improved its internal control and management system against money laundering risks in strict compliance with the *Anti-money Laundering Law of the People's Republic of China*, *the Measures for the Supervision and Administration of Combating Money Laundering and Financing of Terrorism by Financial Institutions*, and other laws and regulations, so as to thoroughly fulfill its anti-money laundering obligations and actively employ information technologies to improve the efficiency of anti-money laundering efforts.

In 2023, our anti-money laundering was advanced steadily with inspection and rectification as main tasks. We implemented the anti-money laundering rectification requirements by improving the internal control mechanism, optimizing the supporting system, strengthening supervision and inspection, and other measures, and explored the practical application with the "risk-based" principle. We made great progress in improving quality and efficiency.

Refining the internal control mechanism on anti-money laundering

In 2023, the Company formulated 2 anti-money laundering internal control systems, revised 2 related systems, issued 3 supporting letters, and developed and issued the *Anti-money Laundering Work Guidelines for Branches*. Through such efforts, we further clarified the division of responsibilities, refined the management requirements related to anti-money laundering such as customer due diligence, customer risk classification, suspicious transaction monitoring and reporting, list monitoring, anti-money laundering investigation, and system construction, and standardized the operation process. According to organizational adjustments and anti-money laundering requirements, the Company improved the organizational structure of anti-money laundering by appointing 2 new members to the anti-money laundering leading group. The Company also started to optimize the anti-money laundering operation mode. We reviewed and approved the *Implementation Plan of Anti-Money Laundering Centralized Operation Mode*, and transferred certain important and difficult tasks to the anti-money laundering leading department of the headquarters and the competent business department of the headquarters respectively according to the positioning of responsibilities, which further enhanced the quality and efficiency of our anti-money laundering efforts.

Empowering anti-money laundering with technology

The Company has built an anti-money laundering information system with functions such as risk monitoring, regulatory submission, intelligent analysis, and diverse interaction. The system has set up all business modules on anti-money laundering, including list monitoring, customer due diligence, customer money laundering risk classification, suspicious transaction monitoring and reporting, and money laundering risk assessment. By the end of the reporting period, the self-assessment system for money laundering risks of the Company was able to monitor, warn, analyze, and report suspicious risks in real-time and dispose of risks in a closed loop through the full-process trace management, which helped the management timely understand the money laundering threats faced by the Company and the effectiveness of control measures.

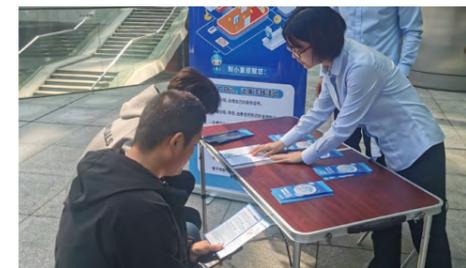
In 2023, the Company completed the function optimization of the anti-money laundering list monitoring system; launched a self-developed association query platform to help identify and discover associated accounts and customers; upgraded the anti-money laundering system and completed the sorting of the requirements of the anti-money laundering data mart; independently developed suspicious transaction monitoring model and customer money laundering risk rating model, and achieved phased results. The Company also guided the brokerage, investment bank and research report business lines to improve the supporting functions for their business system. The anti-money laundering system was able to connect to the commission sales system of financial products, the investment advisory system of funds and the custody system.

Strengthening inspection and supervision of anti-money laundering

The Company continued to carry out anti-money laundering inspections and audits. We carried out anti-money laundering special inspections and audits for more than 106 branches and headquarters departments, and guided responsible departments to formulate rectification plans and implement rectification requirements for the problems found. The Company actively carried out special investigations. We organized the investigation of risks related to the multi-bank depository business by a single customer and the implementation of anti-money laundering requirements of frozen customers by competent authorities, which further strengthened the management of risky customers and the implementation of anti-money laundering requirements in key areas and risky links. In addition, the Company has established monthly branch meeting mechanism to synchronize daily management and timely discover problems, effectively improving the anti-money laundering awareness and duty performance of our employees.

Carrying out anti-money laundering training and culture publicity

In 2023, the Company launched the anti-money laundering publicity month with the theme of "Beware of Money Laundering Traps, Stay Away From Money Laundering Crimes", issued 9 relevant articles, and organized relevant knowledge competitions with more than 20,000 participants. Through these efforts, we effectively fulfilled our social responsibility of anti-money laundering. In addition, the headquarters of the Company organized 13 anti-money laundering training sessions and attended 7 external anti-money laundering training sessions throughout the year.



Anti-money Laundering Activities

Supplier management

The Company issued the *Supplier Management Rules of Caitong Securities (Trial)*, established the supplier evaluation mechanism, and intensified daily management by establishing and maintaining qualified supplier database and identifying and dealing with bad behaviors to provide support for bidding and procurement, prevent procurement risks, and improve the quality and efficiency of procurement. Also, the Company emphasizes the management and transparency of the supply chain, and clearly requires the audit of labor standards in the regions where our suppliers are located and the inspection of the sustainability management of suppliers to ensure the strict control over the supply chain risks.

Classification of suppliers



Transformation & Breakthrough Pursuing Innovative Development Empowered by Technology Finance

Enhancing the Level of Industrial Development

Leveraging a New Growth Pole for Industrial Development



Enhancing the Level of Industrial Development

In line with the national technology development strategy, Caitong Securities focuses on key sectors such as "specialized, excellent, featured, and innovative" enterprises, sci-tech innovation enterprises, and strategic emerging enterprises, with a view to comprehensively improve the quality and efficiency of fintech innovation.

National-level Specialized, Fine, Unique, and Innovative



Caitong Investment Bank focuses on specialized, excellent, featured, and innovative enterprises to continuously improve the quality and efficiency of fintech innovation. In 2023, we helped 2 enterprises pass the IPO review and 4 enterprises complete the share offering.



Exploring sci-tech
innovation bonds

Leveraging sci-tech innovation bonds, the Company innovates on the application of products and strengthens the precise support and direct funding of the bond market for technological innovation. We completed the underwriting of sci-tech innovation bonds of CNY**3.206 billion** in total.



Building a digital-
intelligence ecosystem

The Company also plans to build a direct financing digital-intelligence ecosystem in Zhejiang Province, i.e. the "Easy Investment in Zhejiang" platform, so as to provide accurate, efficient and convenient financing services for sci-tech innovation enterprises and specialized, excellent, featured, and innovative enterprises.

Leveraging a New Growth Pole for Industrial Development

Supporting technology enterprises through the fund

Since 2023, Caitong Capital has successfully established **six** technology innovation funds with a total scale of **CNY6.9 billion**, among which 2 Fund of Funds have a scale of CNY5 billion, and the remaining 4 focus on technology innovation enterprises in the province with a total scale of CNY1.9 billion.

Guided by the national strategic support orientation, Caitong Innovation focuses on the construction of three technological innovation highlands in Zhejiang, vigorously supported technological enterprises and specialized, excellent, featured, and innovative enterprises, deeply served technological innovation, and refined the industrial chain. Of the 8 listed investee companies, 6 are listed on the STAR market. Technology innovation enterprises account for **80%** of the projects invested by Caitong Innovation.

Establish a Fund of Funds for scientific and technological innovation in manufacturing

Lead with the material industry, ZJU Holdings, etc., jointly initiated the formation of a total size of **4 billion** yuan of Zhejiang City West Science and Technology Innovation Manufacturing Mother Fund, is expected to leverage social capital of more than **40 billion** yuan.

Industry-academia-fusion linkage to support the digital economy

Strategic cooperation with ZJU and ZJU Computer Research Institute to accelerate the cultivation of advanced technologies such as artificial intelligence, 5G and network security.

- **Co-establishment of Innovation Base**
- **Scientific and technological projects**
- **Cooperation with the Science and Education Fund**
- **Talent Exchange and International Cooperation**

Fund investment landing major projects

Setting up a **3 billion** yuan investment fund to invest in Dongyang Sunshine Group, and recruiting big and strong for the three major industries of capacitors, deep processing of Cordyceps sinensis and new energy in Dongyang City, with an expected investment scale of **5 billion** yuan in fixed assets, realizing an annual output value of **20 billion** yuan.



Giving full play to the
investment linkage
advantage

The Company gives full play to the investment linkage advantage of the Group, and plans to set up market-oriented equity investment funds in sci-tech innovation and manufacturing during the "14th Five-Year Plan" period. The funds focus on investing in the "No. 1 development project" on digital economy innovation, advanced manufacturing projects, and scientific achievements transformation projects of technology innovation platforms above the provincial level.

Case | Formation of a science and innovation master fund

Caitong Capital, together with Wuchan Zhongda, Zhejiang University Holding Group, and Hangzhou Chengxi Sci-tech Innovation Corridor Management Committee, jointly launched Hangzhou Chengxi Sci-tech Innovation Corridor Fund of Funds with a total scale of CNY4 billion, which is expected to mobilize social capital of CNY40 billion and was officially put into operation in August 2023. The fund aims to inject strong impetus into the innovation and development of Hangzhou Chengxi Sci-tech Innovation Corridor, help it become an innovation cradle and a comprehensive science center, and build a digital industry cluster with global influence.

Case | Huikang Technology, a portfolio company of Cai Tong Capital, was selected as a national manufacturing champion

The list of the eighth batch of national manufacturing individual champions was announced, and Ningbo Huikang Industrial Science and Technology Co., Ltd. invested by Cai Tong Capital was listed among them, highlighting its hardcore manufacturing strength in the field of refrigeration equipments represented by ice-making machines. The requirements for the selection of manufacturing industry champions are stringent, and the finalists need to have better innovative basic conditions and strong technological innovation ability, production technology or process up to the international advanced, domestic leading, single product market share in the global forefront, is the highest level of sub-sector, the strongest market strength of the benchmark, but also the development of the new quality of productive forces of the front-runner, the leading geese. At present, there are only about 1,574 national manufacturing single champion enterprises in China, far less than the 12,000 specialized, special and new "small giant" enterprises.

Case | Carrying Out In-depth Cooperation with the Chain Enterprises in the Province to Create a Sound Investment Environment

Caitong Innovation has carried out in-depth cooperation with Geely Holding, a chain enterprise in the province, and jointly initiated the establishment of an equity investment fund. Through their active interaction and cooperation, an investment linkage mechanism sharing think tanks and information has initially taken shape, which focuses on strategic emerging industries in the province and aims to support the development and growth of technology innovation enterprises, so as to jointly build a sound ecology of sci-tech innovation investment in Zhejiang, strongly boost the "sweet potato economy", and improve and upgrade the "No. 1 opening-up project".



Common Prosperity

Creating a Better Life with Inclusive Finance

Promote the construction of demonstration zones for common prosperity

Serving the whole life cycle of enterprises

Protecting the rights and interests of employees

Adhering to public welfare and charity

Laying out pension finance



Promote the construction of demonstration zones for common prosperity

The Central Financial Work Conference explicitly requires working on inclusive finance, which provides important guidance for promoting common prosperity through the high-quality development of inclusive finance. As a provincial state-owned securities firm in Zhejiang, the Company gave full play to the advantages of regional characteristic industries, aggregated financial resources, and went all out to move forward in the "four steps" of finance, intelligence, industry, and consumption assistance. It explored new models to assist rural revitalization, with every effort made to promote financial knowledge into the countryside, improve material and intellectual support, and help enterprises in impoverished areas to accurately finance their businesses, making further contributions with its financial strength in the pursuit of common prosperity.

Working together for common prosperity

The Company kept in mind its responsibility of serving people, adhering to the use of finance for benefits and conveniences to the public. Leveraging its business advantages, with the integration and utilization of the three major financial service tools of "investment banking, investment, and wealth management", the Company deeply explored regional investing and financing capacities to drive local economic development with financial resources, helping create wealth and bring a leapfrog high-quality growth to mountainous and coastal island counties. Meanwhile, the Company supported the development of rural characteristic industries, and expanded channels for farmers to increase their income, taking multiple measures to comprehensively revitalize rural industries, talents, cultures, ecology, and organizations towards common prosperity.

Contribution to common prosperity with great efforts on three major projects

Further implement the revenue-enhancing project for urban and rural residents, offering more high-quality products for "common prosperity"	In 2023, the Company sold a total of 435 products of different kinds for common prosperity, including Gongfutong Break-even Income Certificate, Caihuitong, Caiyuntong, Caiying Co-prosperity Series, ESG bonds, Jufeng, and low-fluctuation publicly offered funds, with sales reaching CNY17.472 billion.
Further implement the digital and intelligent co-prosperity innovation and quality improvement project, seeking to build a comprehensive financial service system for the whole life cycle of enterprises	Measures of the Company included building an eco-digital system for direct financing for the province, creating an "Easy Investment in Zhejiang" direct investment and financing platform; optimizing the ESOP system of Jinfubao · Listed Stocks, to provide comprehensive financial services for listed companies and potential listed companies with employee stock ownership; expanding and promoting Jinfubao · MSMEs, to help MSMEs solve pain points.
Further implement the project of strengthening mountainous and coastal island counties, creating a model of "common prosperity" in mountainous areas	Based on strategic cooperation, the Company worked to enhance the level of comprehensive financial services, preferentially setting up branches in mountainous and coastal island counties, with 23 branches already put in place in such areas representing a coverage rate of 71.88%.

Case | Being a "Pioneer" on the Road to Common Prosperity

In 2023, the Company fully leveraged the three major financial service tools of "investment banking, investment, and wealth management" as a propeller to build a model for common prosperity. By using the investment banking tool to assist mountainous and coastal island counties in smooth financing, a complete bond financing of CNY10.5 billion was recorded in such areas; By using the investment tool, Changshan Youfu Equity Fund, Wuyi Jinwu Minfu Fund, Huzhou Huantaihu Mutual Wealth Fund, etc. were launched, with the first phase of implementation scale reaching CNY750 million; By using the wealth management tool, wealth management products for common prosperity with low threshold, low charge, low fluctuation and stable income were developed and made available for residents. Meanwhile, the Company launched a series of financial activities for supporting enterprises under the theme of "Wealth for Zhejiang Merchants", organizing special events to cover over 3,000 merchants and enterprises in Zhejiang Province, vitalizing the real economy with financial resources and driving common prosperity with the power of finance.

Case | Caitong Securities Asset Management Established the "1-Mu Tea Garden" Common Prosperity Fund

Caitong Securities Asset Management, a subsidiary, initiated the "1-Mu Tea Garden" public welfare project for agricultural support in Yongxing Village, Caiyuan Township, Suichang County, Lishui City, Zhejiang Province. Starting from improving the local tea industry, it has successfully activated the collective economy of Yongxing Village, and enhanced the lives of villagers, raising the collective economy of this village from zero to CNY300,000, with a significant effect in supporting agriculture.

In order to better help Caiyuan Township achieve common prosperity, and further improve the "1-Mu Tea Garden" cooperation model, Caitong Securities Asset Management launched the "1-Mu Tea Garden" Common Prosperity Fund with an investment of CNY2.0 million. On April 20, 2023, the People's Government of Caiyuan Township and Caitong Securities Asset Management entered into an agreement to jointly establish the "1-Mu Tea Garden" Common Prosperity Fund. With the establishment of such a fund, a better and deeper partnership will be built between Caiyuan Township and Caitong Securities Asset Management, providing important impetus for empowering the construction of demonstration areas for common prosperity, stimulating rural areas to form self-development mechanisms, and achieving leapfrog high-quality growth.



Entering into the Agreement on the "1-Mu Tea Garden" Common Prosperity Fund Between Caitong Securities Asset Management and the People's Government of Caiyuan Township

Providing first-rate investor education

In 2023, the Company carried out a series of activities around the progress of the capital market and the hot spots in such a market, further implementing the political and people-oriented requirements of the Party Committee of the China Securities Regulatory Commission on capital market supervision, strengthening the function of investor education to support "common prosperity", and effectively fulfilling the responsibility of protecting the legitimate rights and interests of investors, to move forward the investor education work, and boost the three "No.1 projects".

Measures of the Company for investor education in 2023:

Continuously optimizing the construction of the national-level physical base

- Comprehensive improvements were made to the software and hardware equipment as well as the exhibition content of the base;
- A fully registered exhibition themed at City Tour of Caixiaotong and a red finance-month exhibition themed at Tracing the Source and Pursuing Common Prosperity were carefully prepared and launched;
- 185 themed activities on investor education were carried out within the year;
- In 2023, Caitong Securities was recognized as a "Research and Practice Education Base for Primary and Secondary School Students in Zhejiang Province".

Building the first county-level base in the province

- Qingtian Overseas Chinese Investor Education Base, the first pilot county-level physical investor education base, was established in Qingtian County, Lishui, Zhejiang Province, to help build the "Qingtian Model" as a county-level demonstration zone for common prosperity;
- During the reporting period, a total of 12 themed activities on investor education were carried out.

Carrying out the special event of the year on investor education under "Caitong Path to Financial Management"

- A total of 1,542 investor education activities were carried out in the mode of "invite in" and "go out", covering nearly 400,000 person-times of investors;
- Among them, 167 activities were conducted in mountainous and coastal island counties, covering nearly 20,000 person-times of people there.

Launching the campaign "Investor Education in 100 Schools"

- A total of 251 activities were held throughout the year, covering more than 40,000 students;
- Among them, 14 public welfare activities were provided for students in mountainous and coastal island counties, with high-quality financial books donated to optimize rural education resources.

Outputting original products through diversified promotion channels

- The quality and efficiency of publicity were further improved by virtue of the five-in-one promotion channels of double bases, business venues, websites, and WeChat official accounts for investor education, combined with active cooperation with mainstream media;
- Internal and external resources were integrated for the R&D of various original products taking advantage of multiple platforms, producing over 1,600 types of original investor education products in such forms as videos, posters, graphic comics, books and manuals, H5 games, and interactive tools, etc., with a total of more than 2,300 news reports and over 30 million clicks.

Undertaking the 2023 investor rights and interests knowledge competition for Shareholders Coming

- The event attracted 4.15 million person-times of registrants, which the Caitong Securities team outperformed winning both the preliminary and final championships;
- Capitalizing on hosting the competition, the Company launched nearly 500 online and offline activities under the theme of "Welcoming the Asian Games, Pursuing Common Prosperity", with over 1,000 promotional reports, covering more than 650,000 person-times of investors.

Establishing a life account of Caitong Securities on Alipay

- A life account of "Caitong Securities" on Alipay was established whereby to release cutting-edge financial information, interpret market trends, clarify investment logic, and ensure gap-free information for investors.

Full life-cycle services for SMEs

Caitong Investment Bank kept improving its mode for serving the whole life cycle of enterprises, accompanying the leapfrog growth of enterprises with comprehensive financial services, with several typical cases represented by SLING created showing its service achievements. Since 2015, Caitong Investment Bank has assisted SLING in listing on the NEEQ, completing two equity incentive plans, locating targets of and accomplishing acquisition twice, and connecting with investment institutions for financing. Through nearly nine years of accompanying services, it helped SLING successfully list on the GEM in September 2023. Additionally, with reinforced work on the construction of pilot bases, a "Four-One" full life cycle inclusive finance service model has been preliminarily formed.

Protecting the rights and interests of employees

The Company is committed to providing employees with an equal and impartial work environment and development platform, ensuring that all employees have fair job opportunities, focusing on building a diversified talent team, and developing a legal employment system in strict accordance with the requirements of documents such as the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Women's Rights and Interests, and the Regulations on the Prohibition of Child Labor. Emphasizing employee satisfaction, the Company has built an open and democratic communication platform whereby to effectively safeguard the rights and interests of employees.

Building a family culture brand for "Three Practical Things"

The Company sought to bring more care to the employees in need, with various measures taken to truly highlight the warmth of the Caitong Securities as a "Big Family", foster the "Family Culture", and further enhance the cohesion, creativity, and fighting capacity of Caitong people.



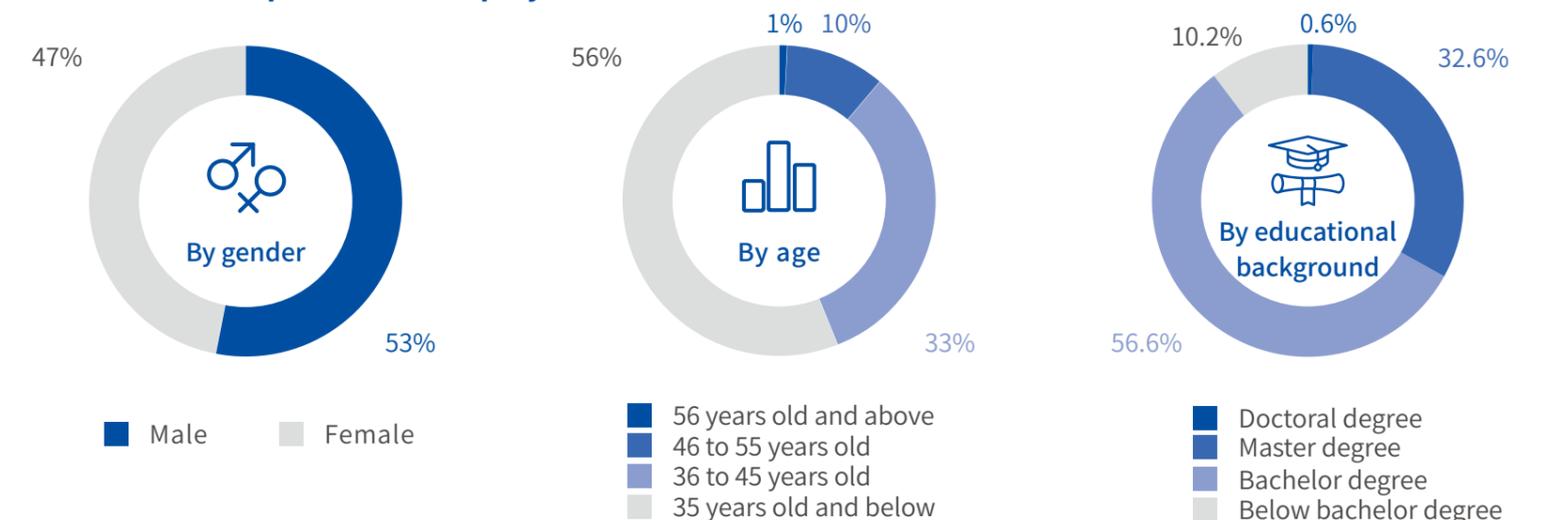
Equal and diversified employment

The Company has formulated the *Employee Recruitment and Employment Management Measures of Caitong Securities*, adhering to the recruitment philosophy of equality, openness, inclusiveness, and diversity, respecting the basic human rights of employees, honoring the values, personalities, and privacy of employees with different cultural backgrounds, strictly prohibiting screening and restricting employees in terms of gender, race and ethnicity, etc., resolutely eliminating the employment of child labor and any form of forced labor, strictly verifying the identity of employees, and regularly monitoring and inspecting the employment intensity and the human rights system evaluation. During the reporting period, the Company did not engage in any violations such as the use of forced labor and child labor.

In 2023, the Company



Diversified Composition of Employees



Note: The statistical caliber of the employee composition performance table covers the parent company and major subsidiaries.

Deepening Employee Communication

The Company has developed the Employee Director and Employee Supervisor System whereby to elect employee directors and employee supervisors in accordance with laws and regulations. As representatives and defenders of employees' interests, employee directors and employee supervisors gave full play to their role as a bridge between the Board of Directors and the Board of Supervisors to speak up for employees and ensure their rights and interests.

To ensure the rights of employees to participate in democratic decision-making, management, and supervision, the Company has established, improved, and implemented an employee representatives meeting system, a collective negotiation system, as well as a normalized mechanism for soliciting, reviewing, handling, and implementing proposals from the employee representatives meeting, providing smooth communication channels for employees, and allowing full play to the positive role of employees in advising and counseling. Meanwhile, the Company has established trade union organizations at various levels to timely help employees solve problems in work, life, and other aspects. In addition, the Company also has a women's work committee to effectively safeguard the legitimate rights and interests of female employees.

In 2023, the Company

held **5** employee representative meetings and responded to **10** proposals on site, with a **100%** response rate to proposals



Supporting employee development

Laying emphasis on improving the quantity and quality of professional talents, and keeping in mind the value concept of respecting, gathering, and serving talents, the Company arranged various training based on the different levels, development goals, and stage-specific ability requirements of employees.

In 2023, the Company

Total number of employees receiving training	Employee training coverage rate	Total training hours received by employees	Average training hours per employee
4,232	94.17%	357,803	79.62

Employee training by job grade

Number of junior employees receiving training
4,061

Total training hours received by junior employees
341,258

Number of middle management receiving training
157

Total number of training hours received by middle management
16,021

Number of senior management receiving training
14

Total number of training hours received by senior management
524



A total of **13** continuing education support projects were enabled for employees to obtain vocational qualifications, improve their educations, etc.

A total of 28 persons/person-times participated in the continuing education support projects, of which 11 obtained relevant certifications

Improving remuneration and incentive mechanisms

The Company's remuneration mainly consists of fixed wages, performance bonuses, allowances, and benefits. The performance bonuses for senior management of the Company shall be determined by the Board of Directors based on the annual performance appraisal results of the former, to be paid in a deferred manner; while those for staff in business divisions and functional departments will be paid after the annual appraisal according to the annual performance plan.

Employee remuneration management system

Develop remuneration management measures for middle and back office employees in the headquarters, as well as remuneration management systems for employees in branch offices and various business lines; Regularly organize external remuneration benchmarking, properly regulate the remuneration criteria and structure for different types of employees on the development of the Company's business and the improvement of talent capabilities, and establish a dynamic remuneration adjustment mechanism to dynamically adjust the remuneration level of employees taking into account such factors as job grade changes, appraisal results, and job values, effectively motivating high-performance employees.

Competency-based MD job grade management system

Form a comprehensive MD job grade system covering all lines, based on abilities, performance, and qualifications, under which the role positioning, basic conditions, and adjustment rules for each job grade are defined to improve the scientific nature of appraisal mechanisms as well as personnel promotion channels.

Employee performance appraisal system

Formulate implementation rules for employee performance appraisal, according to which, individual goals of employees, overall strategic goals of the Company, annual business plans, and corporate culture construction shall be organically integrated, mandatory appraisals shall apply to all employees, and feedback on the appraisal results shall be constantly strengthened. Employee performance bonuses are linked to the overall performance of the Company as well as the appraisal results of departments and employees, encouraging employees to make greater contributions to the overall performance improvement of the Company and the departments.

Paying attention to employee health

Attaching great importance to the occupational health and safety of its employees and the prevention of occupational diseases, the Company continuously improved the employee health security system, took out social insurance including pension insurance, medical insurance, unemployment insurance, maternity insurance, and work-related injury insurance for all employees according to law together with supplementary medical insurance and accident insurance, closely followed the national regulations on annual leave and maternity leave, etc., regularly arranged physical examinations, health retreat, and kept an eye on the mental health status of employees, to ensure health of all employees. In addition, the Company provided employees with gyms, cafeterias, and medical rooms, encouraged employees to be physically active, and strictly controlled the quality of dishes to guarantee employee health from the source and enhance employee happiness.

In 2023, the Company

had a total of **2,400** person-times employees participated in the
Company's health retreats

the coverage rate of physical examinations for all employees
reached **100%**

Case | Being Stronger with Sports

In order to encourage employees to take active exercise, energize them, and vitalize the enterprise, taking advantage of the upcoming 19th Asian Games in Hangzhou, the Company held a one-day fun sports event on June 3, 2023, around the theme of "Forging ahead for Thirty Years, Collaborating for the Asian Games". This sports event was participated by 25 teams from the headquarters, subsidiaries, and branches throughout the country, with nearly a thousand employees uniting for Caitong Securities to extend its 30-year history and forge ahead toward a promising new future.



Site of the Sports Event

Case | Caitong Happy Run, Fostering Health Together

To better practice the new style of "Loyalty, Responsibility, Struggling, Innovation, and Integrity" in state-owned enterprises, create a strong "Family Culture", and demonstrate the spirit of "Pursuing Dreams" of Caitong people, the Company organized a Happy Run Event of "30-Year Caitong in Pursuit of Dream" on November 5, 2023. This event brought together colleagues of Caitong Securities from the headquarters and branches across the country, where external guests were also invited to join the group, through which, Caitong people were inspired to unify with each other, gather their strength, and work hard.



Site of the Happy Run Event

Case | Showing Caitong's "Her-Power"

With the coming of Women's Day, the Company held the 2022 Women's Achievements Recognition Ceremony to honor the "Women's Model Post" and "Caitong Rose" for the year 2022, further consolidating the consensus of family culture, uniting and leading female employees to take on their roles, and contributing to the high-quality development of the Company with "Her-power".



The Women's Achievements Recognition Ceremony

Building cultural consensus

2023 is the beginning year of fully implementing the spirit of the 20th National Congress of the CPC, marking the 20th anniversary of carrying out the "Double-Eight Strategy" in Zhejiang Province, and also the 30th anniversary of the establishment of Caitong Securities. A series of distinctive cultural activities were organized by the Company to pass on the corporate spirit of "upholding integrity and harmony", showcasing the value of the securities industry to society.

Case | High Quality Development Theme Event for the 30th Anniversary

On the third "Caitong Day", the high-quality development theme event of "Building a Featured Caitong to Propel the Three 'No.1 Projects' and the Ten Major Projects" officially kicked off. At the meeting, with the centralized contracting, Caitong Securities reached strategic cooperation with more than 10 units (projects) including Zhejiang Natural Resources Group Co., Ltd..



Site of the High-quality Development Theme Event



Case | The Third "Caitong Day"

The "Caitong Day" on October 24 is a festival for all Caitong people. This year's "Caitong Day" coincided with the 30th anniversary of Caitong Securities, during which the big family of us reunited sharing the joy of celebrating the anniversary and spending a wonderful time together. Under the corporate spirit of upholding integrity and harmony in pursuit of dreams, and the family culture of the Company, all Caitong people were encouraged to enjoy work and life, and speed up with a positive attitude to move forward pursuing their dreams of the future.



Site of the Employee Activity on the "Caitong Day"

Case | Singing the Company Song in Pursuit of a Dream for the Future

In October 2023, the official song of Caitong Securities was released, with a warm, uplifting, and melodious melody, inspiring all Caitong people to pursue their dreams with hard work under the mind and mission of "serving the real economy with financial resources".



Company Song Performance Event

Case | Progressing with Pride, Collaborating for Tomorrow

During the 30th anniversary of the Company's establishment, Caitong Securities fully solicited the opinions of its employees and jointly reviewed the landmark events of high-quality development in the past 30 years; Through centralized selection and candidate announcement, 30 colleagues with special contributions in the 30 years were awarded to set a model of loyalty and dedication. The selection activity garnered a warm response and high participation, creating an atmosphere for all to motivate themselves and create value.



Site of the Activities for the 30th Anniversary of the Company's Establishment



Adhering to public welfare and charity

The Company has been keen on public welfare, leveraging its business advantages and actively responding to national strategies, with active measures to promote rural revitalization and public good, practice the mission of state-owned enterprises, and fulfill its social responsibilities. Since the launch of public welfare and poverty alleviation work in 2008, the Company has helped 54 villages, 25 townships (towns), and 27 counties across the country, benefiting a total of more than 230,000 people.

In 2023, the Company

invested CNY **16.383** million in public welfare throughout the year, including CNY **5.723** million for rural revitalization and CNY **10.66** million for social welfare

Playing the advantages of group operation, the Company led its subsidiaries to create a series of assistance and public welfare projects, forming the public welfare brand of "Promoting Philanthropy" to fully help the development of such fields as medical care, culture, and education, with its supporting projects covering 26 provinces. In 2023, the Company engaged in multiple public welfare programs, further expanding the influence of its public welfare brand.

Helping to revitalize the countryside

"One Division, One County" Precision Assistance

The year invested **2.3 million** yuan to help funds for the modern agricultural industrial park in Gangu County, Yunnan Province, Panan Township, Liujiadun Village, planting base of industrial roads hard, earth backfill, construction of irrigation canals; Jiange County, Sichuan Province, Bailong Township, dragon lanterns, paper dolls, exhibition halls, cultural plaza construction, Gongxing Township, circle of the Dragon Grain and Oil Park in the implementation of the construction of ecological greenway; Jiangxi Province, Yujian County, Daxi Township, NiuPiShan, cultural propaganda wall construction and hardening of the plaza, street lamps and lighting. The construction of the cultural propaganda wall, square hardening and street lighting in Daxi Township, Yugean County, Jiangxi Province; the upgrading and reconstruction of the facade of Hufang Village and the reconstruction of the party members' activity place; the construction of the wild mushroom processing and sales industry chain in Zhongping Township, Luquan County, Yunnan Province; and the improvement of the production and living service facilities of the rural production and living facilities of the three groups of Qixingzhuang in Jiaojiaying Community, Chongde Street.

East-West poverty alleviation collaboration

Annual investment in helping funds **500,000**, of which CNY 200,000 for Shaping Village, Baima Town, the main road to install solar street lamps, to better facilitate the masses to travel at night and create a livable environment; CNY 300,000 for Maduguan Town, Shuangmiao Village, the reconstruction of the village cultural activities room, add cultural room activities facilities to enrich the cultural life of the masses.

"Thousands of Enterprises Tie Up Thousands of Villages, Eliminate Weak Villages" Project

The company consumed CNY **585,000** to help purchase pomelo and pomelo juice, and the income from the sale of pomelo in "Gongfu Orchard" in Xincun Village, Daqiaotou Township, Changshan County, Quzhou City was close to about **400,000** yuan.

Launching of the "Low-income Farmers' Income Enhancement" project

Contributed CNY **300,000** to help build a tea culture experience base in Leifeng Township, Tiantai County, Taizhou City, to produce a propaganda film for the 15th anniversary of the twinning support, and to organize the "Chinese Farmers' Harvest Festival", a tea and persimmon culture festival; CNY **50,000** was used to provide special support for the people in difficulty (including condolences in the Spring Festival).

Responding to Chongqing Rural Revitalization Initiative

Cooperate with the branch and the local supervision synergy, one to promote rural revitalization help work, CNY **250,000** for Dianjiang County, Dashi Township, Shiliang Village, industrial development, infrastructure construction and human settlements environment improvement and other work.

Rushing to help the Xinjiang region

CNY **200,000** was donated to the village of Yingtel in Xinjiang for the training of party members and cadres in Yingtel village in Kashgar on topics related to the enhancement of rural revitalization capacity.

Commonwealth Financial Support Training Course

The seventh financial support training course was jointly organized with Zhejiang University at a cost of CNY **300,000** to consolidate the level of financial knowledge of leading cadres in the support areas, with a total of **110** participants from **eight** areas.

Comfort and help

CNY **150,000** for the Zhejiang Aid Xinjiang Command condolences; Spring Festival eve condolences to help the twinning of Changshan County, Daqiaotou Township, Mengqiao Village, Sichuan Xuanhan County, Maduguan Township, Shuangmiao Village, and Shaping Village, Baima Township, and so on the **three** villages of **55** households in need of the people, the condolence fund CNY**38,000**.

Promoting community volunteering

Case | Employees of the Company Volunteered to Assist the Asian Games Hangzhou

The Company encourages employees to actively participate in social volunteer services. In 2023, CAI Xinjie was transferred to the Asian Organizing Committee of the 19th Asian Games Hangzhou to participate in volunteer service. During the service, she handled a total of 869 communication and coordination emails, with a 100% timely response rate, while making zero errors and omissions. Her professionalism, work attitude, and expertise were unanimously praised by the customer group, the leadership, and her colleagues.



Our CAI Xinjie represented the team in making English presentations and prepared answers three times successively at the 2nd World Broadcasters Meeting for the Asian Games Hangzhou and the Hangzhou Asian Para Games Chfs de Mission Seminar

Laying out pension finance

R&D of pension products

Against the backdrop of deepening reforms in the capital market and the entry of long-term incremental funds represented by individual pension funds into the market, with the official launch of the individual pension scheme, publicly offered pension FOF, as a key component of the "Third Pillar" of pension, may become one of the important choices for individual investors to plan pension investments. In laying out its strategy for the pension FOF, the Company had strong R&D capabilities as its core competitiveness, with a comprehensive and complementary R&D team covering multiple senior experts in the FOF field from public offered funds, securities research institutes, insurance asset management, and bank wealth management formed, significant increasing the investment and research strength of the Company.

In 2023, the Company's subsidiary made the initial offering of its first pension FOF, Caitong Securities Asset Management Kangheng Balanced Pension Three-Year Holding Hybrid Initiated FOF. Compared with ordinary equity-biased hybrid funds, FOF funds have a more uniform distribution as to returns and withdrawals, which can effectively reduce non-systematic risks.

The fund

recorded an effective subscription of **81.4489** million shares during the offering period, of which **61.39%**

were subscribed for by fund managers.

Elderly-oriented services

The Company endeavored to help elderly investors access and use application information online in an equal and convenient manner. According to the needs of elderly investors in accessing information, Caitong Securities upgraded its official website and APP, by optimizing their interface interaction, content reading, operation prompts, voice assistance, and other functions, providing "Care Mode" and "Elderly Mode" for relevant applications and launching more products with large fonts, large icons and high-contrast texts, to improve the experience of elderly users in using Internet services, enhance the information accessibility, safeguard the legitimate rights and interests of elderly investors in the information age, and give them a greater sense of access, happiness and security in the development of information technology.



Elderly-oriented Functions in "Caixiangtong" (for the elderly)¹



The Company's Official Website (for the elderly)

¹"Caixiangtong" (for the elderly) is an official asset management product launched through APP by the Company's subsidiary Caitong Securities Asset Management. The product supports functions such as account opening, position inquiry, and trading, facilitating the elderly customers to meet their mobile wealth management needs.

Constant Effort Supporting the "Dual Carbon" Goal with Green Finance

- Developing green finance
- Managing ESG risks
- Implementing responsible investment
- Addressing climate change



Developing green finance

The Company further implemented the requirements of national documents such as the *Working Guidance for Carbon Dioxide Peaking and Carbon Neutrality in Full and Faithful Implementation of the New Development Philosophy* and the *Guiding Opinions on Promoting Investment and Financing in Response to Climate Change*, deeply exploiting business opportunities in green energy, energy conservation and emission reduction, and circular economy, etc. In the field of green finance, the Company provides a full chain and all-round financial services, including equity financing, debt financing, financial advisory, merger, and acquisition, among others, tailoring solutions for customers, with the aim of exploring new paths of green development with customers, and promoting the green transformation and sustainable development of the enterprise. In addition, the Company continued to conduct research on green industries, and strengthen the construction of green research teams, laying an academic foundation for the development of green finance.

Offering green bonds

In active response to the national green finance policy, Caitong Securities was devoted to promoting the development and innovation of the green bond market. As one of the leaders in the field of green finance, Caitong Securities was not only committed to advocating the concept of green investment but also focused on taking practical actions. In 2023, the Company assisted in the offering of four green bonds, with a cumulative underwriting amount of CNY2.02 billion; and served two IPO projects in the green-related industry.

Supporting non-public offering of green bonds

- The Company assisted Quzhou City Investment and Development Group Co., Ltd. in accomplishing the non-public offering of green corporate bonds (Phase 1) in 2023, with a size of CNY970 million, a coupon rate of 3.19%, and a term of 3 years, creating the lowest interest rate in the history of corporate green bonds with the same rating and term nationwide.
- The Company assisted Wenzhou Xingfu Rail Transit Co., Ltd. in making the non-public offering of carbon neutral and green corporate bonds (Phase 1) to professional investors in 2023, with a size of CNY500 million, a coupon rate of 3.15%, and a term of 3 years. As the first carbon-neutral and green corporate bond in Wenzhou, this bond created the lowest interest rate for all types of corporate bonds with the same rating in China since 2023 and the lowest interest rate in privately offered corporate bonds with the same rating and term in the history of Zhejiang Province.
- The Company assisted Jingzhou Development Group Co., Ltd. in the successful offering of carbon-neutral and green corporate bonds, having a code of 23 Jingkai G23, with a size of CNY1 billion, a coupon rate of 6%, and a term of 2+2+1, which was the first carbon neutral corporate bond in Hubei province.

Supporting public offering of green bonds

- The Company helped Hangzhou West Lake Urban Construction Investment Group Co., Ltd. successfully offer green corporate bonds (Phase 1) to professional investors in 2023. The bond, with a code of G23 Xicheng 1, had a size of CNY500 million, an interest rate of 3.45%, and a term of 7 years, creating the lowest historical interest rate for corporate bonds of the same term in China.

In 2023, the Company

Total green bond position in terms of denomination CNY **800** million



Supporting green industry

Taking the listing of industrial silicon as an opportunity, the Company continued efforts to enhance its layout in the new energy industry chain, using tools such as "futures+spot" and "on-exchange+over-the-counter" to provide one-stop comprehensive financial services for physical enterprises in this industry. Meanwhile, the Company kept improving its ability to use innovative financial tools such as capital markets and publicly offered REITs, closely combined the use of capital tools with industrial chain investment, and actively explored investment opportunities in basic commodity industries, new energy strategic emerging industries, and other industrial chains, making constant contributions to the healthy development of the green economy.



Green research

The Company conducted in-depth green research, with a view to exploring an effective integration between sustainable development and environmental protection and providing investors with accurate and comprehensive green finance information and professional advice. Having a professional green research team with rich industry experience and profound professional knowledge, we regularly released green research reports, and delved into analysis of the green industry chain, to provide valuable reference opinions for investors.

In the field of green research, the Company kept a close eye on research work that covered new energy industries such as photovoltaic, wind power, energy storage, hydrogen energy and third-generation semiconductors, and new energy vehicles, guiding more investors to pay attention to new energy. Meanwhile, the Company took an active part in the evaluation and tracking of projects in the green industry, maintained close cooperation with industry-leading enterprises, and looked into the industrial development trends, aiming to provide reliable green investment opportunities for customers. By going into green research, the Company not only made available comprehensive green finance information and professional advice to investors but also contributed to the healthy development of the green industry and the prosperity of a sustainable economy. In the future, the Company will continue to devote itself to green research and make greater efforts to promote the development of green finance.

In 2023, the Company

had a total of **182** green research team members

published **3,191** research reports, of which 3,162 were publicly released.



Managing ESG risks

Attaching great importance to the identification, evaluation, and management of ESG risks, the Company recognized the potential impact of these factors on its business and investment portfolio, and gradually integrated ESG risks into its comprehensive risk management system, with the Environmental and Social Responsibility Statement of Caitong Securities developed to clearly define the importance of ESG risks and actively incorporate them into the considerations of various business operations.

ESG risk management system

The Company has established a three-level ESG risk management structure that consists of the Board of Directors, the Strategy and ESG Committee, and the ESG Management Team, clarifying the specific responsibilities of each level, with a particular emphasis on identifying ESG opportunities and risks. In addition, the Company's business divisions and subsidiaries have set up an ESG evaluation team, with its members coming from the project team, the financial risk control team, and the legal risk control team, to improve the hierarchical control of ESG risks from the perspective of system architecture.

ESG risk management process

The Company strictly implemented ESG risk management at the business level, following the ESG risk management process of identification and evaluation, control and monitoring, and analysis and response, for the sake of full process control of ESG risks exposed to various business activities. Meanwhile, further efforts were made to the evaluation of post-investment management of business to ensure smooth, healthy, and compliant operation of projects within a controllable range of risks.

ESG risk identification and evaluation

The Company will collect data and information through internal and external channels to comprehensively understand potential ESG risks, including making qualitative and quantitative assessments of the impact on the supply chain, business operations, investment targets, and other stakeholders. Industry standards, ESG rating tools, and professional consulting services will be used for the Company to conduct an in-depth analysis of identified risks, and quantify their likelihood and degree of impact.

ESG risk control and monitoring

In the phase of control and monitoring, the Company has formulated and implemented a series of measures to reduce, transfer, or eliminate the impact of identified ESG risks, including establishing relevant policies and processes, strengthening internal training, and improving awareness. Meanwhile, the Company has established a dedicated monitoring mechanism to regularly review and evaluate the changes and evolution of ESG risks, ensuring the effectiveness and timeliness of risk management measures.

ESG risk analysis and response

In the phase of the analysis and response, the Company will delve into an analysis of established ESG risk events and take appropriate measures in response, with lessons learned to continuously improve its risk management mechanism and handling strategies, as well as enhance its ability and flexibility to respond to ESG risks. At the same time, the Company actively communicates and cooperates with stakeholders to jointly address ESG risk issues, so as to protect the long-term interests and sustainable development of the enterprise.

ESG due diligence

The Company continued its efforts to improve customer ESG risk management, with a range of management documents such as the *Due Diligence ESG Evaluation Form* and the *Post Investment Management ESG Evaluation Form* developed, whereby to identify, analyze, and manage significant ESG issues that may be exposed to the customers through due diligence. In reviewing investment decisions, focus will especially be put on projects that violate environmental regulations or involve major environmental litigation, etc. For customers in industries with high environmental and social risks such as mining, oil and gas, forestry, agriculture, energy utilization, transportation, and raw materials, the Company will strengthen ESG risk identification, due diligence, and related risk evaluation to prevent ESG risks from being converted into potential credit risks for Caitong.

ESG due diligence evaluation content of Caitong Securities

ESG due diligence evaluation dimensions

ESG due diligence evaluation includes a total of 9 primary indicators, with 26 secondary indicators, in the three major fields of environment, society, and governance. ESG topics encompass:

- **Environmental Topics (E):** Climate change, natural resources, pollution and waste, and development opportunities related to the environment
- **Social Topics (S):** Human capital, product responsibility, stakeholders, and social impact
- **Governance Topics (G):** Corporate governance

ESG due diligence evaluation - industry weighting reference standards

Energy (including traditional and new energy), basic materials, public utilities, communication services, intelligent manufacturing, information technology, medical and healthcare, fintech, and non-essential consumer goods: for each indicator of E, S, and G, the point(s) will be 1 for outperformance, 0 for no difference, and -1 for underperformance.

Classification of ESG evaluation results

Excellent: AAA-AA Average: A-BBB-BB Poor: B-CCC

Note: A project evaluated as having high ESG risks (ESG rating of below B) shall be subject to the review and approval of the Caitong Innovation Review Committee before implementation.

Implementing responsible investment

The Company always adheres to the concept of sustainable development and is committed to integrating ESG investment philosophy into the entire process before, during, and after investment. In light of the *Green Investment Guidelines (for Trial Implementation)* issued by the Asset Management Association of China and international standards, the Company has formulated and released the *Responsible Investment Statement of Caitong Securities Co., Ltd.*, actively incorporating ESG factors into investment evaluation decisions during the management, with its decisions on investment, authorization, and management conducted based on the investment decision-making framework, to promote the implementation of ESG concepts by invested enterprises through the resource allocation effect of the capital market. In 2023, the Company further focused on, identified, and increased investment and financing opportunities in the eight key areas for carbon neutrality, including electricity, transportation, industry, new materials, construction, agriculture, negative carbon emissions, and information communication and digitalization, stepping forward to implement responsible investment under the support of investing and financing policies.

Organizational structure and management of responsible investment

A clear three-level structure consisting of the Strategy and ESG Committee, the Investment Decision Committee, and the ESG Management Team for responsible investment management has been established by the Company to fully carry forward ESG and responsible investment activities. Meanwhile, the Company has set up ESG liaison officers in relevant departments at headquarters and subsidiaries to analyze ESG issues and collaborate with third parties for ESG-related training, continuously improving the professional capacity and management of responsible investment. When making investments, ESG factors have been incorporated into the selection of investment targets and the decision-making process of the Investment Decision Committee.

Roles at Different Levels of Responsible Investment	
Strategy and ESG Committee	It serves as the supervisory role of the Company's responsible investment, in charge of comprehensive supervision over responsible investment matters
Investment Decision Committee	It serves as the management role of the Company's responsible investment, in charge of responsible investment decision-making
ESG Management Team	It serves as the executive role of the Company's responsible investment, in charge of screening, evaluating and other work specific to the investment targets of responsible investment

Responsibility investment strategy

Referring to the six principles of the United Nations Principles for Responsible Investment (UNPRI), the Company has developed and implemented responsible investment strategies including selecting positive companies, excluding negative companies, and integrating ESG factors, in order to manage ESG risks of investment targets and actively promote the application of various investment strategies in investment business.

Investment Strategy	Strategy Application	Related Asset Categories
Selecting Positive Companies	<ul style="list-style-type: none"> When choosing the track and establishing a stock pool, the Company fully considered ESG-related factors, screening sectors and companies having superior ESG performance than their peers, with a focus on underlying companies such as intelligent manufacturing, information technology, medical and healthcare, carbon neutrality, new energy, and other industries that are in line with national development strategies and have a green development philosophy. The subsidiary Caitong Securities Asset Management actively monitored the development and new changes in the field of science and technology innovation, and chose the opportunity to make investments; for investment in the traditional energy industries such as iron and steel, non-ferrous metals and chemicals, priority was given to companies with a high level of environmental management. As to the subsidiary Caitong Innovation, for intelligent manufacturing, it prioritized enterprises with high levels of environmental management and intelligence; while for medical and healthcare, priority was given to companies that solved practical problems of people's livelihood and promoted the development of social health and hygiene. 	Equity Investment, Alternative Investment - Stock Ownership Investment
Excluding Negative Companies	<ul style="list-style-type: none"> A negative list of investments was set up by the Company to exclude companies that did not generate social benefits and were not in line with sustainable development routes. The subsidiary Caitong Innovation cautiously promoted enterprises with potential negative social impacts through comprehensive due diligence and the establishment of ESG negative lists. The subsidiary Caitong Securities Asset Management fully integrated ESG strategies into practical research analysis and investment decisions, guiding researchers to make an overall analysis taking into account ESG factors along with traditional financial indicators to fully evaluate industry prosperity and individual stock growth, and form strong support for investment decisions. 	Equity Investment, Alternative Investment - Stock Ownership Investment

Integrating ESG Factors	<ul style="list-style-type: none"> In the research, analysis, and investment decision-making process, the Fixed Income Department made the comprehensive judgement on whether issuers fulfill their social responsibilities and their performance in environmental and governance aspects, which together with traditional financial indicators and other factors, were considered in making investment decisions. The subsidiary Caitong Securities Asset Management fully integrated ESG integration strategies into practical research analysis and investment decisions, guiding researchers to fully analyze ESG factors together with traditional financial indicators, comprehensively evaluate industry prosperity and individual stock growth, and form strong support for investment decisions. The subsidiary Caitong Innovation included in the investment analysis whether the investment target was in line with the national strategic direction, whether there were significant violations of law, whether there were integrity issues and other ESG-related factors, and assigned a weighting to each ESG factor whereby to derive an overall evaluation score as a reference for investment recommendations. 	Fixed Income Investment, Alternative Investment - Stock Ownership Investment
Active Shareholders	<ul style="list-style-type: none"> The subsidiary Caitong Securities Asset Management proactively participated in the governance of the companies it bid for, such as strengthening contact with listed companies through on-site research and voting at Shareholders' Assembly, and paid attention to the actions and measures of the companies in ESG, so as to make up for the inadequate disclosure of ESG-related data and information asymmetry of the invested companies, and assist and urge listed companies to implement ESG concepts. The subsidiary Caitong Innovation strengthened post-investment management, attached great importance to governance modernization and employee care, and insisted on transferring ESG concepts to portfolio companies to empower the improvement of corporate governance. 	Alternative Investment - Stock Ownership Investment
Sustainability Topics	<ul style="list-style-type: none"> The Company provided financial support for the green industry by investing in green bonds. ESG strategy products were offered to assist in energy conservation and carbon reduction, with a highlight on green economy industries represented by new energy vehicles, for sustainable development of enterprises in industries such as photovoltaic, energy storage, and lithium batteries. 	Fixed Income Investment
Impact Investing	<ul style="list-style-type: none"> Active investments were made in bonds with funds to be used for precise poverty alleviation and new energy. 	

Responsible investment practice

The Company explicitly required relevant business divisions to include ESG factors in the entire process of the company-wide equity investment, fixed income, and stock ownership investment businesses, and to include three important factors, i.e. environmental responsibility, social responsibility, and corporate governance, in the investment decision.

Business Category	Inclusion Method
Equity Investment Business	<ul style="list-style-type: none"> When conducting equity investments in listed companies, the Company incorporated ESG factors into investment decisions, fully utilized ESG evaluation methods, and established a negative list for investments, focusing on investment targets with superior ESG performance compared to peers, while excluding investment targets in the negative ESG investment list.
Fixed Income Business	<ul style="list-style-type: none"> In the daily bond investment made by the Company, the issuer's information on finance, environment protection, internal governance, and records of illegal activities was summarized, analyzed, and monitored by internal credit rating personnel as one of the prerequisite elements for the inclusion of the target in the pool. Data sources such as wind were used to conduct ESG scoring, ranking, and rating on targets such as listed companies with publicly available data; and to conduct internal analysis on targets such as non-listed companies without publicly available ESG data after extracting relevant data.
Stock Ownership Investment Business	<ul style="list-style-type: none"> In the due diligence process, the Company incorporated the Customer Environmental, Social, and Governance (ESG) Due Diligence Evaluation Form into the workflow, and clarified the ESG-related due diligence content and evaluation results in the due diligence report of the project. In the investment decision-making process of stock ownership investment business in alternative investments, projects with high ESG risks after evaluation were subject to the risk review and approval of the Investment Decision Committee before implementation. In the post-investment management process, the content and results of ESG risk evaluation were included in the post-investment management report every year. If an investment project is elevated to have high ESG risks after evaluation, it is necessary to conduct a timely risk analysis, adjust the project risk rating, and further assess the possibility of ESG risks transforming into financial risks and having a significant impact on its performance. Depending on the actual situation, risk mitigation measures should be taken and promptly reported to the business unit leader and Chief Risk Officer.

Case | Green Investment - Supporting the Green and Environmental Protection Industry

In 2023, the subsidiary of the Company, Caitong Innovation, invested CNY30 million in Hangzhou Tianyicheng New Energy Technology Co., Ltd., a national high-tech enterprise, and a well-known domestic manufacturer of extraction equipment and anti-corrosion storage tanks specializing in the process design and equipment manufacturing for hydrometallurgy of non-ferrous metals and rare earths, etc., with a good reputation and influence in the industry. The Company is committed to continuously providing more efficient, advanced, high-quality, intelligent, environmentally friendly, and safe equipment and technology for the environmental protection industry.

Case | Green Investment - Supporting Green and High-tech Innovative Enterprises

In 2023, the subsidiary of the Company, Caitong Innovation, made an investment of CNY30 million in ORI OSMO, a high-tech innovative enterprise engaged in the professional research and large-scale production of high-performance reverse osmosis and nanofiltration membrane separation materials, whose products can be widely used in industries such as direct drinking water, food and beverage, medical and pharmaceutical, municipal sewage treatment, seawater desalination, ultra-pure water in the electronics sector, industrial wastewater treatment and reuse, and material concentration and purification.

As of the end of the reporting period, Caitong Innovation has invested in 16 green projects on new energy, energy conservation and environmental protection, etc., accounting for 28% of the Company's total investment projects, with a total investment amount of approximately CNY950 million.

Responsible investment promotion and communication

The Company attaches great importance to promoting and communicating responsible investment, strengthening the promotion of ESG concepts through various means including special training and we-media platforms; inviting third-party professional organizations to systematically review the overall ESG work of the Company and propose improvement suggestions based on domestic and foreign rating standards, and in light of the market and the Company's actual situation; actively enhancing cooperation and exchange with external investment and research institutions to keep improving the ability of responsible investment; aggregating the power of the Company, developing green finance, and increasing investment in green bonds, new energy and other fields, to lift the Company's influence in the green investment area.



Sites of Responsible Investment Training

Addressing climate change

The Company actively addressed the challenges posed by climate change, identifying climate risks and opportunities related to its operations based on the framework recommended by the Task Force on Climate-related Financial Disclosures (TCFD) and taking countermeasures according to the results of the identification to manage the impacts of climate change on it.

Climate-related risk management system

Governance

- The Board of Directors shall be responsible for monitoring the climate impact brought about by the Company's operations, and reviewing corporate social responsibility reports including the topic of "addressing climate change" every year;
- The Development Strategy and ESG Management Committee of the Board of Directors shall be responsible for guiding the formulation of climate change-related management goals, reviewing disclosure information on topics pertaining to climate change, and assessing climate change risks;
- The ESG Management Team shall be accountable to the Strategy and ESG Management Committee, responsible for the implementation and promotion of policies on climate change.

Strategy

- Analyze the management process for climate-related risks and opportunities;
- Establish climate-related risks and opportunities that are substantial to the Company's business and operations;
- Regularly conduct internal research and analysis reports related to climate risks.

Risk Management

- Assess climate-related risks and opportunities based on the Company's own business and strategy, as well as the TCFD framework;
- Build a customer ESG due diligence system, taking into account the climate change factors of customers;
- The subsidiary Caitong Innovation has set internal ESG evaluation indicators to assess the carbon emission intensity in the Company's operations, as well as the practical situation of addressing climate change-related risks and opportunities, in response to climate change topics.

Indicators and Objectives

- Every year, prepare and disclose greenhouse gas emissions, greenhouse gas emissions per unit of area, and other indicator data in the corporate social responsibility report, and based on this, develop improvement plans to promote internal energy conservation and emission reduction work;
- Regularly monitor the development of the Company's green finance business.

Climate-related risk and opportunity analysis

The Company has established and continuously improved a climate-related risk evaluation and identification mechanism, conducting analysis against benchmarking with peers, and proactively identifying climate risks and opportunities related to its operations and business based on the opinions of internal and external experts.

Identification

Identify climate-related risks and opportunities pertaining to the business and operations of Caitong Securities under the framework recommended by TCFD.

Evaluation

Comprehensively evaluate the impact of climate risks and opportunities on the operational and financial aspects of Caitong Securities based on the Company's business and strategy, combined with expert opinions.

Analysis

Analyze the impact and probability of climate risks and opportunities, to determine the priority of risks and opportunities.

Analysis of climate-related risks and opportunities of Caitong Securities and their potential financial impacts

Risk Type	Risk Description	Potential Financial Impact
Market risk	Policies on environmental protection and low-carbon development may bring about macroeconomic structural transformation, and affect market supply and demand structure, having direct or indirect impacts on the Company's finances, or leading to a decrease in the solvency of customers, thereby increasing credit risks.	Increase in operating cost Decrease in operating income Portfolio value reduction
Policy and legal risks	In recent years, China has continuously introduced policies, laws, and regulations related to environmental protection and green finance, in which context, the Company and its customers may be exposed to risks of breach of contract, punishment, and litigation due to failure to timely identify changes in policies, laws, and regulations.	Damage to reputation and credibility Decrease in operating income Portfolio value reduction
Market opportunities	With the increasingly strong policy support from the government for green finance, improvement of the policy system, and greater interest of the capital market in sustainable finance, the Company will, if it actively responds to and follows the development trend of the green finance market, be able to increase its operating income and market influence.	Increase in operating income Increase in business sustainability
Products and services	The Company actively engages in businesses related to green finance, participating in and supporting the development of commercial society towards a climate-friendly direction through offering and underwriting green bonds, assisting green and environmental protection enterprises in listing, and deepening green and environmental protection equity investments.	Increase in operating income Increase in business sustainability Investment portfolio appreciation

Green and low-carbon operation

Against the backdrop of increasingly prominent global environmental issues and the in-depth implementation of national dual carbon strategies, green operations have become an important component of sustainable development for enterprises. As an active response to the national dual carbon background, Caitong Securities placed green operations into its core strategies, in the belief that green development is the future theme and the key path for sustainable development of the enterprise. Looking forward, the Company will further deepen the concept of green operation, continuously improve the mechanism and system of green operation, and fulfill its corporate social responsibility with practical actions, to help construct a beautiful China.

In 2023, the Company had

Amount of rainwater recycling and reuse: **2,992** m³

Amount of renewable energy usage: **61,891** kWh



Green operation measures

Energy management

- The exterior walls of the Hangzhou office building are made of energy-saving and environmentally friendly materials to reduce energy consumption; the indoor lighting of the building adopts energy-saving LED light sources; and solar photovoltaic panels are installed on the rooftop to convert solar energy into electricity.
- The indoor air conditioning temperature should not be lower than 26 degrees Celsius in summer and not higher than 20 degrees Celsius in winter. After work, the energy-saving mode should be enabled for public areas.

Water resource conservation

- A water-saving mode is adopted, with water-saving signs posted in public areas.
- The office building is equipped with a rainwater recovery system, which collects and treats rainwater for vehicle cleaning and green plant irrigation.

Paperless operation

- All management and business lines of the Company are digitized, for paperless operations through information systems.
- Office and business promotional materials are subject to strict cost management and usage approval.
- Disposable paper cups are not allowed.

Energy saving in the data center

- Vertiv precision variable frequency air conditioning units are used in the data center, reducing energy consumption through an intelligent temperature control system.
- Cabinet blinders are installed for uncommitted cabinets to reduce overheating and avoid "hot zone" problems in the data center, thereby improving energy utilization efficiency.
- A professional team from China Unicom IDC data center is hired for infrastructure operation and maintenance. Targeted measures are taken to improve the cooling effect of supervision equipment to avoid "leakage" in the data center and reduce reactive power consumption.

Waste management

- Harmless wastes such as office and household wastes are collected and cleaned by the Company's property management uniformly; hazardous wastes such as electronic wastes and toner cartridges are stored at designated locations set up by the Company, and regularly recycled and disposed of by qualified companies.
- The principle of "3-year warranty and offline after 5 years of operation" is adopted for the important core production system equipment. Equipment that is functioning and well configured after being used for more than five years will be reused for testing and simulation, etc.; for scrapped or malfunctioning equipment that can no longer be used, the available hard drives, memory, etc. will be reused as spare parts for out-of-warranty equipment repair and capacity expansion.

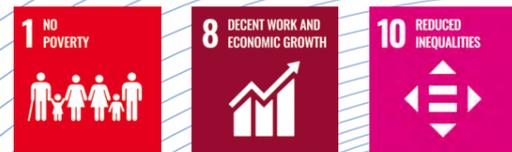
Advocating for green travel

- Relevant regulations for the management of official vehicle expenses are formulated, with the usage and expenses publicized quarterly.
- New energy charging piles are installed in the underground garage of the headquarters building.
- A business travel platform management system is launched to coordinate the management of daily travel and official business travel expenses for employees, encourage employees to use public transportation, and strictly control the reimbursement of travel expenses.

Overall Planning

Transforming to the Intelligent Future with Digital Finance

Creating a Fintech Model with Caitong Method
Safeguarding Information and Privacy Security



Creating a rintech Model with Caltong Method

The Company aims to "build a leading digital-driven securities enterprise", emphasizing top-level design and establishing the planning for "Digital and Intelligent Caitong" from 2023 to 2025. This includes developing a digital transformation "One Account Book" and adhering to the "cross-department, collaboration" principle, focusing on the "1231" digital reform concept and strategically building the "1314N" digital reform toolbox.

"1231" Digital Reform Concept

"1": Aiming to build "One Caitong"; "2": Focusing on two main lines of "structural businesses transformation" and "wealth management transformation"; "3": Emphasizing serving three types of users, namely customers, employees, and ecological strategic partners; "1": Implementing digital reform for "One Account Book".

"1314N" Digital Toolbox

"1": Building 1 data foundation; "3": Crating 3 customer-oriented products (Caitong APP, Institutional APP, and Institutional PC tools); "1": Creating 1 employee-oriented product (Zhanzhao); "4": Building 4 service-oriented tools (Yuangongbao, Jiyoubao, "One Network for Supervision", and strategic command system, interpreting business indicators in detail with digital tools to efficiently assist the Company's management in strategic decision-making); "N": Building N business systems (for subsidiaries and business lines).

1 data foundation

Data collection and governance

Expand the scope of data collection, improve data standards, data quality, and data security governance, as well as iterate and optimize the data platform and data warehouse to support the data demands under more business scenarios

3 customer-oriented products

Caitong APP

Being customer-centric to increase user stickiness and improve customer experience

Institutional APP

Institutional PC tools

Implement transformation for structural businesses to build the institutional APP + PC

1 platform for employee (Zhanzhao)

Online standardized business development and service system

Build the personal and professional image of employees and realize online customer sharing to stimulate the business potential of wealth consultants and create more sources of income

4 service-oriented tools

Yuangongbao Whole-life cycle services for employees

Jiyoubao

Enrich and improve the portraits of branches, reshape the appraisal system of employees in the wealth business, and integrate the performance management of the investment bank business

"One Network for Supervision"

Enhance the capabilities for management and control of special risks, including credit risks, market risks, operating risks, anti-money laundering, and reputation risks, and improve the efforts for supervision and collaboration under application scenarios

Strategic command system

Digital tools for detailed interpretation of business indicators, efficiently assisting company management in strategic decision-making

N business systems

Big scenarios of digital application

Break down barriers among departments and business lines to build a large scenario for the digital application that can be duplicated and disseminated, under the principle of "cross-department, collaboration, and innovation" and centering on the efforts for "One Caitong"

Case | Planning for "Digital and Intelligent Caitong" from 2023 to 2025 and Implementing Digital Reform for "One Account Book"

To improve the top-level design, Caitong Securities invited experts from Zhejiang Provincial Financial Supervision Administration, Zhejiang Provincial Big Data Development Administration, Zhejiang Branch of China Securities Regulatory Commission, and Zhejiang University Financial Technology Research Institute, etc., to render opinions and suggestions from professional fields, industry supervisions, and industry practices, based on their own work content and industry development trends, to jointly optimize and improve the "Digital and Intelligent Caitong" planning from 2023 to 2025 and the "One Account Book" digital reform.

The digital reform for "One Account Book" includes 36 key digital projects, of which 5 are about customer services, 23 professional applications and shared services, 4 digital operations, 3 data foundations, and 1 infrastructure. Since April 2023, the digital reform of Caitong Securities has been carried out in an orderly manner based on the principle of "One Account Book", empowering the development of various businesses.



Case | Releasing the Third Batch of Landmark Application Achievements of "Digital and Intelligent Caitong"

8 digital landmark application achievements in the third batch were released by the Digital Reform Promotion Conference, including Yuangongbao, Caitong·Yuexiang, Zhanzhao, One Network for Supervision, E-Finance (券e融), WeMine, Product Manager, and Private Placement Manager, showcasing the Company's digital breakthroughs from continuous exploration and practice by virtue of technology. The 8 application achievements spanned multiple application scenarios, fully demonstrating Caitong Securities' commitment to creating a digital tool concept that is "effective, practical, and user-friendly".



The Third Batch of Landmark Application Achievements of "Digital and Intelligent Caitong" Release and Digital Reform Promotion Meeting

Safeguarding the Information and Privacy Security

In strict accordance with the requirements of the Data Security Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China, and other relevant laws and regulations, the Company endeavored to effectively maintain its data security, guarantee the security of customer information and privacy, and ensure the legal and compliant use of customer information. A three-level management mechanism formed by a Data Governance Committee, an Information Security Management Team, and data governance specialists from various departments has been established, and multiple internal control systems for privacy and data security protection developed to fully prevent data security and privacy protection risks. Meanwhile, the Company also actively established cross-industry cooperation, exploring cutting-edge professional technologies for the sake of improving information security.

In 2023, the Company

developed **1** system related to information security and privacy protection, and revised **3** related systems

Total investment in information technology:

46,847.19



Case | Establishing Strategic Cooperation to Strengthen Information Security Protection

In March 2023, Caitong Securities and Anheng Information officially entered into a strategic cooperation agreement whereby to establish an all-round and in-depth partnership on securities network security construction in the digital economy era. By strengthening top-level design, jointly building laboratories, and regularly conducting phased achievement exchanges, both parties worked together to assist in the construction of Caitong network and data security, while bringing a new benchmark on network security for securities companies.

Appendix

Appendix I: ESG Performance Indicators List

Economic Performance Table

Indicator	Unit	2021	2022	2023
Total assets	CNY100 million	1,104.25	1,256.92	1,337.54
Operating income	CNY100 million	64.08	48.27	65.17
Basic earnings per share	CNY/share	0.71	0.34	0.48

Governance Performance Table

Indicator	Unit	2021	2022	2023
Number of anti-corruption training for employees	session	2	10	12
Number of employees participated in anti-corruption training	person-time	4,500	29,008	18,226
Coverage rate of anti-corruption training	%	100	100	100

Green Bonds

Disclosure Item	Unit	2021	2022	2023
Number of types of green bonds offered	EA	1	0	4
Number of types of green bonds underwritten	EA	1	0	4
Size of green bond offering	CNY 100 million	10	0	29.7
绿色债券承销规模	CNY 100 million	7.5	0	20.2

Environmental Performance Table

Disclosure Item	Unit	2021	2022	2023
Total greenhouse gas emissions	ton of CO ₂ equivalent	3,800.71	3,712.67	4,077.15
Scope 1 Greenhouse gas emissions	ton of CO ₂ equivalent	130.88	143.15	121.07
Scope 2 Greenhouse gas emissions	ton of CO ₂ equivalent	3,669.83	3,569.52	3,956.08
Greenhouse gas emissions per capita	ton of CO ₂ equivalent/person	2.03	0.98	0.90
Greenhouse gas emissions per unit of area	ton of CO ₂ equivalent/m ³	0.09	0.11	0.12
Total natural gas consumption	m ³	33,021.00	44,847.80	34,254.00
Natural gas consumption per capita	m ³ /person	22.59	11.80	7.57
Natural gas consumption per unit of area	m ³ /m ²	0.97	1.34	1.02
Gasoline consumption by owned vehicles	L	21,934.00	20,795.00	21,165.00
Total electricity consumption	MWh	6,057.28	6,259.02	6,936.84
Electricity consumption per capita	MWh/person	3.23	1.65	1.53
Electricity consumption per unit of area	MWh/m ²	0.14	0.19	0.21
Total water consumption	m ³	32,552.82	30,288	28,288
Water consumption per capita	m ³ /person	17.36	7.97	6.26
Water consumption per unit of area	m ³ /m ²	0.75	0.90	0.84
Volume of electronic waste	piece	206	972	424
Headquarters data center PUE (owned)	/	1.63	1.57	1.55
Binjiang disaster recovery data center PUE (owned)	/	1.45	1.56	1.55
Headquarters data center energy consumption (owned)	MWh	3,680.04	3,941.39	4,680.61
Binjiang disaster recovery data center energy consumption (owned)	MWh	2,262.35	2,022.53	2,322.45

Note: Scope 1 Greenhouse gas emissions include direct greenhouse gas emissions from the combustion of gasoline and natural gas in own vehicles; Scope 2 Greenhouse gas emissions are indirect greenhouse gas emissions from purchased electricity. The emission factors for Chinese Mainland in 2020 refer to the 2015 national grid average emission factors in the Supplementary Data Sheet of the 2019 GHG Emission Report issued by the Ministry of Ecology and Environment, and the emission factors for the Hong Kong region refer to the greenhouse gas emission factors for electricity operating in Hong Kong in HKE's Appendix II: Reporting Guidance on Environmental Key Performance Indicators, updated on May 28, 2021; the emission factors for Chinese Mainland in 2021 are updated to the greenhouse gas grid emission factors for 2021 in the Ministry of Ecology and Environment's Methodology and Reporting Guidelines for Corporate Greenhouse Gas Emissions for Electricity Generating Facilities (Revised Edition 2022). The emission factors in 2022 refer to the Notice on Proper Management of Greenhouse Gas Emission Reporting for Enterprises in the Power Generation Sector in 2023-2025.

Social Performance Table

Employee Employment Performance Table

Indicator		Unit	2021	2022	2023
Employee turnover rate		%	11.7	14.2	12.86
By gender	Male	%	13.7	16.0	7.89
	Female	%	9.2	12.2	4.97
By age	>50 years old	%	8.4	9.6	0.39
	30 to 50 years old	%	10.9	12.3	7.42
	<30 years old	%	14.6	20.8	5.06
By region	Chinese Mainland	%	11.7	14.2	12.64
	Outside Chinese Mainland (including Hong Kong, Macao, and Taiwan)	%	0	100.0	0.22
Total number of new employees		person	985	880	868
By gender	Male	person	573	496	463
	Female	person	412	382	405
By age	>50 years old	person	2	2	1
	30 to 50 years old	person	515	457	423
	<30 years old	person	468	419	444
By region	Chinese Mainland	person	985	876	860
	Outside Chinese Mainland (including Hong Kong, Macao, and Taiwan)	person	0	2	8

Note 1: The statistics are based on the parent company of Caitong Securities.

Note 2: Turnover rate for each category of employee = Number of employees in that category lost during the year / Number of employees in that category at the end of the year.

Employee Equity Performance Table

Disclosure Item	Unit	2021	2022	2023
Labor contract signing rate	%	100	100	100
Social insurance coverage rate	%	100	100	100
Number of penalties for violating employee employment and labor laws and regulations	time	0	0	0
Employee physical examination coverage rate	%	100	100	100
Number of deaths due to work-related causes	person	0	0	0

Note: The statistics are based on the parent company of Caitong Securities.

Employee Composition Performance Table

Indicator	Unit	2021	2022	2023
Total number of employees	person	3,464	3,801	5,026
By gender	Male	1,909	2,073	2,652
	Female	1,555	1,728	2,374
By age	>50 years old	154	190	221
	30 to 50 years old	154	3,009	3,766
	<30 years old	2,441	1,093	1,039
By region	Chinese Mainland	869	4,220	4,963
	Outside Chinese Mainland (including Hong Kong, Macao, and Taiwan)	0	72	63
Employment diversity	Minority	65	63	91
	Veteran	1	26	14

Note: The statistics are based on the parent company of Caitong Securities.

员工培训绩效表

Indicator	Unit	2021 年	2022 年	2023 年
Number of employees trained	person	3,117	3,565	3,830
Employee training coverage rate	%	89.98	93.79	95.91
By gender	Male	89.99	92.62	95.80
	Female	89.97	92.62	96.00
Average training hours per employee	hour	120.08	74.52	75.25
By gender	Male	121.50	69.30	72.95
	Female	118.50	77.64	77.86
Proportion of employees receiving regular performance and career development appraisals	%	100.00	100	100

Note 1: The total employees are based on the parent company of Caitong Securities.

Note 2: Training coverage for each category of employees = Number of employees trained in that category / Number of employees in that category.

Note 3: Average training hours per employee for each category = Total training hours received by employees in that category / Number of employees in that category. Average training hours per employee are based on the training hours organized by the Company during the reporting period.

Social Contribution Performance Table

Indicator	Unit	2021 年	2022 年	2023 年
Investment in public welfare and charity	CNY10,000	2,411.3	3,588.6	1,638.3
Incl.: Investment in social welfare	CNY10,000	1,372.3	1,640.3	572.3
Incl.: Investment in rural revitalization	CNY10,000	1,039.0	1,948.3	1,066

Note: The statistics for 2023 are based on Caitong Securities and its invested subsidiaries.

Appendix II: GRI Index

Instructions for use	Caitong Securities Co., Ltd. prepared its 2023 Environmental, Social and Governance Report (reporting period: January 1, 2023 to December 31, 2023) in accordance with the GRI standard report and the information cited in this GRI content index.
GRI 1 used	GRI 1: Basic 2021

GRI Standards	Disclosures	Location
GRI 2: General Disclosures 2021	2-1 Organizational details	Report Profile,About Caitong
	2-2 Entities included in the organization's sustainability reporting	Report Profile,About Caitong
	2-3 Reporting period, frequency and contact point	Report Profile,About Caitong
	2-4 Restatements of information	Report Profile,About Caitong
	2-5 External assurance	/
	2-6 Activities, value chain and other business relationships	Transformation & Breakthrough Pursuing Innovative Development Empower by Technology Finance/Overall Planning Transforming to the Intelligent Future with Digital Finance/Common Prosperity Creating a Better Life with Inclusive Finance
	2-7 Employees	Protecting the rights and interests of employees
	2-8 Workers who are not employees	/
	2-9 Governance structure and composition	About Caitong
	GRI 2: General Disclosures 2021	2-10 Nomination and selection of the highest governance body
2-11 Chair of the highest governance body		2023 annual report

GRI Standards	Disclosures	Location
GRI 2: General Disclosures 2021	2-12 Role of the highest governance body in overseeing the management of impacts	Improving corporate governance
	2-13 Delegation of responsibility for managing impacts	Improving corporate governance
	2-14 Role of the highest governance body in sustainability reporting	Board Statement, Improving corporate governance, Improving corporate governance,Managing ESG risks
	2-15 Conflicts of interest	/
	2-16 Communication of critical concerns	Improving corporate governance
	2-17 Collective knowledge of the highest governance body	Improving corporate governance,2023 annual report
	2-18 Evaluation of the performance of the highest governance body	Improving corporate governance、2023 annual report
	2-19 Remuneration policies	2023 annual report
	2-20 Process to determine remuneration	2023 annual report
	2-21 Annual total compensation ratio	2023 annual report
	2-22 Statement on sustainable development strategy	Board Statement, Improving corporate governance, Improving corporate governance
	2-23 Policy commitments	Investor protection,Managing ESG Risks,Protecting the rights and interests of employees
	2-24 Embedding policy commitments	Improving corporate governance
	2-25 Processes to remediate negative impacts	/
	2-26 Mechanisms for seeking advice and raising concerns	Improving corporate governance
	2-27 Compliance with laws and regulations	Improving corporate governance,Investor protection,Strengthening Risk Control and Compliance
	2-28 Membership associations	/

GRI Standards	Disclosures	Location
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	Improving corporate governance
	2-30 Collective bargaining agreements	Protecting the rights and interests of employees
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Improving corporate governance
	3-2 List of material topics	
	3-3 Management of material topics	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	2023 annual report
	201-2 Financial implications and other risks and opportunities due to climate change	Addressing climate change
	201-3 Defined benefit plan obligations and other retirement plans	2023 annual report
	201-4 Financial assistance received from government	2023 annual report
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Protecting the rights and interests of employees
	202-2 Proportion of senior management hired from the local community	2023 annual report
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Common Prosperity Creating a Better Life with Inclusive Finance
	203-2 Significant indirect economic impacts	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	/
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Abiding by business ethics
	205-2 Communication and training about anti-corruption policies and procedures	
	205-3 Confirmed incidents of corruption and actions taken	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	
GRI 207: Tax 2019	207-1 Approach to tax	2023 annual report
	207-2 Tax governance, control, and risk management	

GRI Standards	Disclosures	Location
GRI 207: Tax 2019	207-3 Stakeholder engagement and management of concerns related to tax	2023 annual report
	207-4 Country-by-country reporting	About Caitong
GRI 302: Energy 2016	302-1 Energy consumption within the organization	ESG Performance Indicators List
	302-2 Energy consumption outside of the organization	
GRI 302: Energy 2016	302-3 Energy intensity	ESG Performance Indicators List
	302-4 Reduction of energy consumption	
	302-5 Reductions in energy requirements of products and services	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	ESG Performance Indicators List
	303-2 Management of water discharge-related impacts	
	303-3 Water withdrawal	
	303-4 Water discharge	
	303-5 Water consumption	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	ESG Performance Indicators List
	305-2 Energy indirect (Scope 2) GHG emissions	
	305-3 Other indirect (Scope 3) GHG emissions	
	305-4 GHG emissions intensity	
	305-5 Reduction of GHG emissions	
	305-6 Emissions of ozone-depleting substances (ODS)	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	ESG Performance Indicators List
	306-2 Management of significant waste-related impacts	
	306-3 Waste generated	
	306-4 Waste diverted from disposal	

GRI Standards	Disclosures	Location
GRI 306: Waste 2020	306-5 Waste directed to disposal	ESG Performance Indicators List
GRI 401: Employment 2016	401-1 New employee hires and employee turnover employees	Protecting the rights and interests of employees
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time	
	401-3 Parental leave	
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Protecting the rights and interests of employees
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Protecting the rights and interests of employees
	403-2 Hazard identification, risk assessment, and incident investigation	
	403-3 Occupational health services	
	403-4 Worker participation, consultation, and communication on occupational health and safety	
	403-5 Worker training on occupational health and safety	
	403-6 Promotion of worker health	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	
	403-8 Workers covered by an occupational health and safety management system	
	403-9 Work-related injuries	
	403-10 Work-related ill health	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Protecting the rights and interests of employees
	404-2 Programs for upgrading employee skills and transition assistance programs	
	404-3 Percentage of employees receiving regular performance and career development reviews	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Protecting the rights and interests of employees
	405-2 Ratio of basic salary and remuneration of women to men	

GRI Standards	Disclosures	Location
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Protecting the rights and interests of employees
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Protecting the rights and interests of employees
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	/
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	/
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	/
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Adhering to public welfare and charity
	413-2 Operations with significant actual and potential negative impacts on local communities	
GRI 415: Public Policy 2016	415-1 Political contributions	Adhering to public welfare and charity
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Improving corporate governance
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Improving corporate governance
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	
	417-2 Incidents of non-compliance concerning product and service information and labeling	
	417-3 Incidents of non-compliance concerning marketing communications	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Investor protection, Safeguarding Information and Privacy Security

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