



东方证券
— D F Z Q —

Stock code: 03958

(A joint stock company incorporated in the People's Republic of China
with limited liability under the Chinese corporate name "东方证券股份有限公司"
and carrying on business in Hong Kong as "東方證券" (in Chinese) and "DFZQ" (in English))

2016 Environmental, Social And Governance Report

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1. CORPORATE SOCIAL RESPONSIBILITY MANAGEMENT

1.1 Social Responsibility Philosophy of DFZQ

With China's economy entering into a "new normal state", further transformation and upgrade of financial system as well as a steady improvement in multi-level capital market construction, securities companies, as major participants and organizers in capital market, have been increasingly gaining attention as to their performance of social responsibilities. As a leading and fast-growing capital market service provider in China with distinguished investment expertise, DFZQ integrates social responsibility philosophy into its corporate culture, strategic guideline and ordinary operation. Rather than merely taking creating wealth as a mission, the Company is committed to creating a happy life for its staff during the progress of wealth creation, and also sharing success with shareholders and society, providing both material and spiritual returns to all parties so as to become an excellent enterprise to the pride of staff, to the satisfaction of shareholders and to the respect of the society.

Mission	To provide quality integrated financial services to the entity economy and social wealth management To create a happy life for staff And to provide both material and spiritual returns to shareholders, employees and society
Vision	To become a modern investment bank with first class core competitiveness in China that provides integrated financial services for customers
Core Values	Customer-first, Person-oriented, Professional Services, Development and Innovation
Corporate Spirit	United, Enterprising, Pragmatic, Efficient

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1.2 CSR Model of DFZQ

In line with its social responsibility philosophy, DFZQ increasingly strengthens communications with key stakeholders to identify and select substantive issues of the Company so as to establish a corporate social responsibility (“**CSR**”) model. With the report as an important tool, the Company improves social responsibility management, and continues to enhance social responsibility performance, thereby facilitating the sustainable development in economy, society and environment.

- *Involvement of key stakeholders*

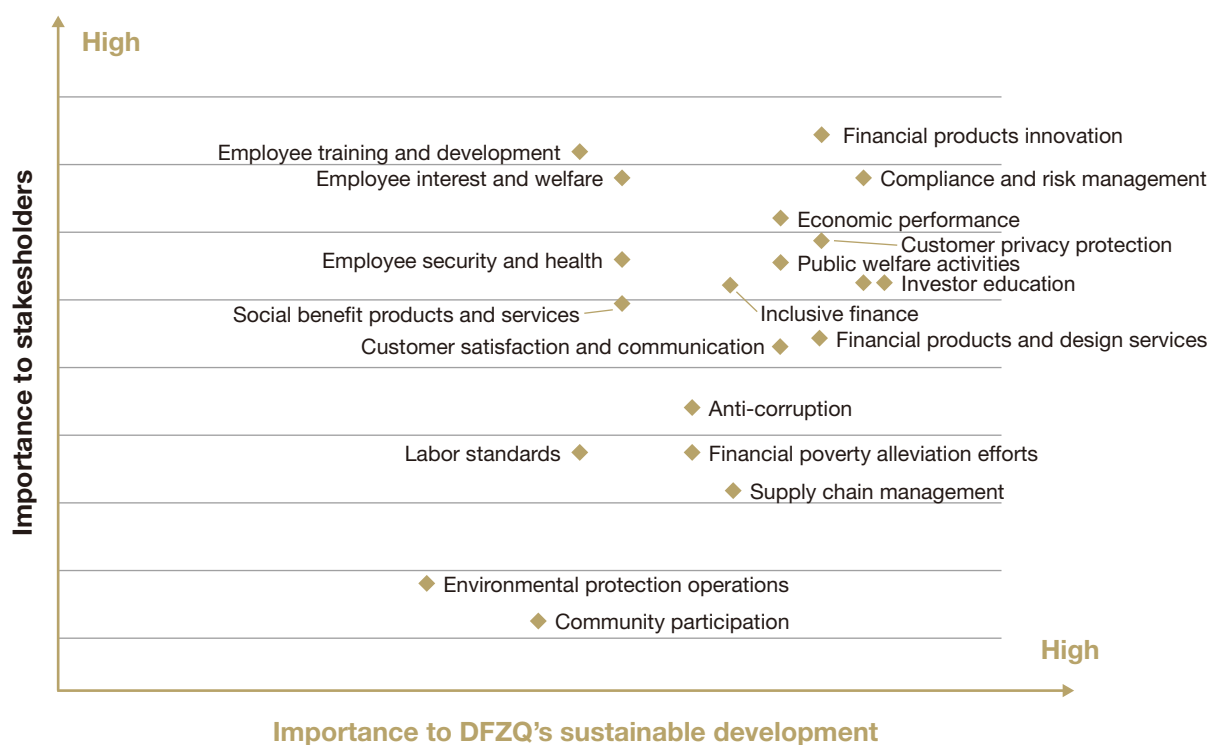
Communication with stakeholders constitutes an essential part in corporate social responsibility management of DFZQ. Key stakeholders of DFZQ include those groups who exert great influence on the Company’s sustainable development, such as shareholders and minority investors, customers, employees, government and regulators, partners and society (including community and environment). Based on understanding of requests and opinions from all parties, the Company incorporates concerned issues of all stakeholders into operation and decision-making with a view to creating greater value for sharing.

Key stakeholders	Issues concerned	Communication channel
Shareholders	<ul style="list-style-type: none"> • Economic performance • Corporate governance 	<ul style="list-style-type: none"> • Timely and accurate information disclosure • General meetings • Research on investors, etc.
Customers	<ul style="list-style-type: none"> • Protect customer privacy • Improve customer experience • Provide quality financial products 	<ul style="list-style-type: none"> • Feedback and complaint • Customer satisfaction investigation • 95503 customer service hotline • Protection activity of investors • Various social media such as WeChat official account and APP
Employees	<ul style="list-style-type: none"> • Equal employment • Democratic participation • Communication and caring • Training and career development 	<ul style="list-style-type: none"> • Employee congress • Trade union • Employee happiness index investigation • Corporate OA platform • Employee activities in various forms
Government and regulators	<ul style="list-style-type: none"> • Compliance and risk management • Tax payment in full 	<ul style="list-style-type: none"> • Regular communication and report • Regulator inspection • Policy implementation
Partners	<ul style="list-style-type: none"> • Fair competition • Corporation and development 	<ul style="list-style-type: none"> • Procurement and bidding procedure • Market research
Public	<ul style="list-style-type: none"> • Community development • Public welfare undertaking • Environmental protection 	<ul style="list-style-type: none"> • All kinds of poverty relief activities • Public welfare activities • Community activities • Employee volunteering activities • Retrospective visit to recipients of assistance

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- *Identification and analysis on substantive issues*

DFZQ identifies and selects relatively significant issues of social responsibility as the focus of our actions and the disclosure in this report, so as to enable this report to satisfy the requests and expectations of stakeholders, by taking into account analysis on the Company's strategies, operating focuses, national and international standards and hot industrial policies and also bench-marking the Environmental, Social and Governance Reporting Guidelines issued by the Stock Exchange of Hong Kong Limited, and then lists out and analyses substance topics, and conducts researches with both internal and external important stakeholders by way of survey and collect all gradings, having a distribution picture of those substance topics and takes those as DFZQ's key points of disclosure.



- *Procedures for preparing social responsibility report*

In order to better convey its corporate social responsibility philosophy and disclose CSR performance to stakeholders, DFZQ has been preparing and issuing CSR report since 2015, aiming at making it an important tool for improving the Company's transparency and social responsibility management.



Social responsibility report compilation procedure

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2. PRODUCT AND CUSTOMER SERVICE RESPONSIBILITY

With the steady advancement in China's reform and development measures, capital market has been brisk and gradually heading toward a mature, market-orientated and legalized one in recent years. Security companies, as intermediaries in capital market, play an increasingly important role. Based on risk control and compliance management, DFZQ adheres to turning its own innovative development direction to serving entity economy, thereby earnestly ensuring essential interests of investors. During the recent three years, DFZQ has found no non-compliance events relating to any information and labels of its products and services, nor has it found any violations of marketing regulations.

2.1 Support Development of Entity Economy

As a platform to optimize resource allocation, the sustainable development of capital market is based on serving entity economy. Under the background of China's economy entering into a "new normal state" and further deepening of supply-side structural reform, capital market vitally functions in economic transformation and development. Capturing opportunities in business development strategies and sticking to the essential requirements that financial resources shall be allocated by the market and finance shall serve entity economy, DFZQ and its subsidiaries were committed to better serving economic and social development by continuously supporting the development of entity enterprises, broadening financing channels for small and medium enterprises and boosting the supply-side reform through various businesses in 2016.

Cases of supporting entity economic development by DFZQ and subsidiaries in 2016

Focused scope	Name of product/business	Related introduction
Supporting state strategy allocation	Online of Shenzhen-Hong Kong Stock Connect Program and realized the first transaction thereof (DFZQ)	<ul style="list-style-type: none">• One of first 24 qualified securities firms for Shenzhen-Hong Kong Stock Connect Program• Improving reform and opening of mainland capital market and satisfying diversified cross-border investments and global asset allocation demands of investors• Boosting RMB internationalization
Broadening the financing channels for small and medium enterprises	NEEQ business (DFZQ)	<ul style="list-style-type: none">• One of first 4 qualified securities firms for market-making business• Continuing to be awarded "the most influential securities firm of market-making business in NEEQ" in 2016• Market-making business with 140 companies in 2016, representing 8.25% of the total market

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Focused scope	Name of product/business	Related introduction
Boosting supply-side reform	Orient Securities Asset Management – Qingpu Injoy Plaza Asset-backed Special Plan (Orient Securities Asset Management)	<ul style="list-style-type: none"> • Providing vitalization measures for stock commercial property, which helps to realize light-asset transformation of commercial property • Helping to reduce corporate leverage ratio to boost supply-side reform
	CMIC Receivables Asset-backed Special Plan, Phase I (Citi Orient)	<ul style="list-style-type: none"> • The first successful receivables securitization project in medical industry in China • Revitalizing corporate receivables by market conversion and enhancing asset liquidity so as to “reduce leverage ratio” • Helping the implementation of centralized procurement in national medical circulation to indirectly accelerate reform such as the Joint Reform in Health Care System, Sanitation System and Medicine Circulation System • Helping to improve overall efficiency and service standard in the industry to further reduce comprehensive operating costs in medical industry
	Shanghai State-owned Enterprise ETF Fund (China Universal)	<ul style="list-style-type: none"> • The first fund mainly invested in reform of Shanghai state-owned enterprises in China • Fully covering reform object of all quality state-owned enterprises in Shanghai, comprehensively reflecting investment opportunities of Shanghai state-owned enterprises, and providing efficient instruments for investors to share dividends of state-owned enterprises reform

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2.2 Quality Financial Services

DFZQ regards customer as the most important resource for the Company's survival and development. Adhering to a service philosophy of "embracing customers equals to embracing future", and closely centering on customers' differentiated demands in all operations and management, the Company carries out innovation for business models from the perspective of customers, aiming at providing quality service attitude and professional service capability.

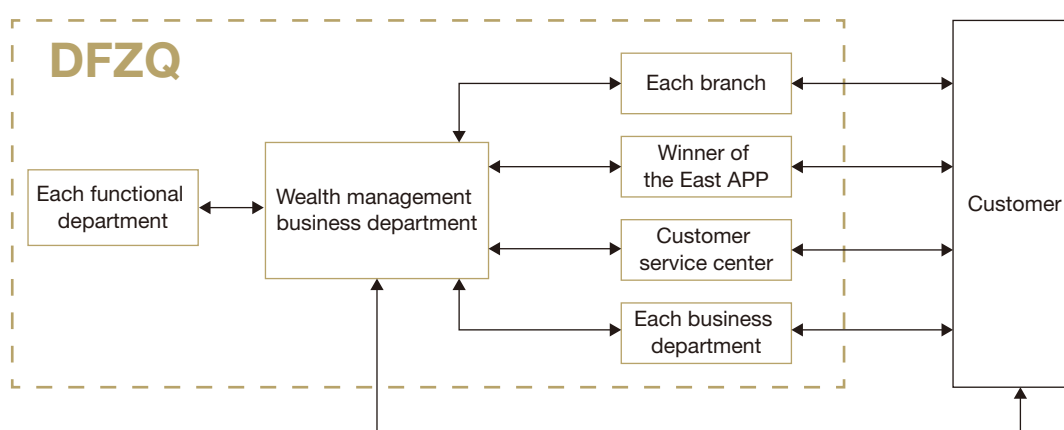


Chart of DFZQ's customer service system

- *Smart mobile service system*

In order to accelerate the pace of "Internet+", and promote the comprehensive integration of modern information technology with the Company's businesses and services, DFZQ introduced artificial intelligent customer service into its online platform in 2016. Intelligent customer service is aimed at providing effective and convenient online services for customers, and plays a positive role in cost control, advancing service efficiency and user experience, integral marketing aspects and etc.

In addition, with the high-speed development of internet finance business, the structure of traditional customer service management system in the securities industry no longer meets the requirements of an increasingly fierce competition. Following the trend of mobile internet technology, DFZQ organically combined internet tools with traditional business based on an event-driven service philosophy, thereby successfully developing an industry-leading smart assistant APP for marketing service, which can provide fast and effective internet services for customers of various kinds.

- *Customer compliant management*

In order to standardize the implementation of customer complaints handling, and upgrade customer service quality and standard, DFZQ formulated the Implementing Rules for Customer Complaints Handling, which stipulated that its wealth management business department shall be accountable to unified management of customer complaints handling, and also clarified assignment of duties among customer service center, business departments and operating organizations and other segments within the customer service system, in accordance with the Guidelines for Evaluation on Complaints Handling Quality of Securities Companies and Securities Investment Consulting Companies in Shanghai District (Trial), Regulations for Customer Complaints by Letter of DFZQ Company Limited and other relevant laws and regulations as well as the Company's rules and regulations.

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Pursuant to the Implementing Rules, DFZQ carries out a first-person accountability system for complaints handling, i.e. the first staff to answer a complaint hotline or the first on-site receptionist will be considered as the direct person-in-charge to handle such complaint, and such person shall be responsible for works including complaint investigation, coordination and explanations to the customer.

Serving Statistics of 95503 Customer Service Hotline of DFZQ from 2014 to 2016

	2016	2015	2014
Number of customer enquiries through 95503 hotline (by person)	185,193	235,512	263,232
Number of complaints	4	12	10
Proportion of handled complaints (%)	100	100	100

2.3 Investor Protection

- *Customer information safety protection*

As valuing management and protection of customer information safety, DFZQ adopts corresponding safety measures to protect any application systems involved with customer data by adhering to the general guideline for information security of “risk prevention, hierarchical protection, comprehensive planning, unified management and full coverage”. The Company takes encryption measures for all online transactions and internet systems involved with customer data in the process of communication, and conducts safety evaluation by the third party and safety reinforcement on a regular basis so as to realize customer data protection to the largest degree. In 2016, the Company found no events in violation of customer privacy or about losses of customer data, nor did it receive any relevant confirmed complaints.

Information safety management of DFZQ

General guideline	Risk prevention, risk protection, comprehensive planning, unified management
General strategy	Hierarchical protection for information safety
Management system	The Administrative Measures for Computer Information System Safety of 東方證券股份有限公司 The Implementing Regulations for Management on Protection Against Malicious Codes in Computer Information System of 東方證券股份有限公司 The Implementing Rules for Safety Inspection on Information System of 東方證券股份有限公司 The Administrative Measures for Computer Information System Statistics of 東方證券股份有限公司
Technical measures	Firewall, intrusion detection, application firewall and other safety protection measures for network and application layer Mainframe and internet malicious code protection system database audit, security log audit and other safety management systems Data encryption for important systems, security encrypted tunnels for internet communication Establishment of data backup, mechanism for disaster recovery and regular drills

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- *Investor education*

DFZQ closely associates education on investors with its businesses throughout the process with an aim to raise investors' awareness of risk prevention. In 2016, based on the changes in relevant business principles by stock exchanges, the Company amended and refined the Implementation Methods for Investors Education, and accomplished drafting of Working Rules for Investors Education and other rules. Throughout the year, the Company carried out an accumulation of about 1,905 investors education activities with nearly 22,600 on-site investors participants and approximately 54,000 copies of various publicity materials released thereof.

In 2016, in order to provide better products and services for customers, and protect legal rights of investors, DFZQ continued to strengthen appropriate management on investors, and fully implemented the principle of "understanding your customers" by carrying out the following works:

- Revising the Rules for Management on Appropriateness of Representative Financial Products and the Implementation Rules for Management on Appropriateness of the Southbound Trading Business Investors
 - Establishing risk assessment system for various financial products and services to ensure that it matches with clients' risk tolerance
 - Organizing and carrying out a follow-up assessment on clients' risk tolerance every other year
 - Strengthening the identification of product clients for the responsibility of product clients and the risk of resource allocation
 - Carrying out annual re-identification on risk clients according to the clients' risk attributes
 - Carrying out verification on the institutional clients information lapse through the national enterprise credit system
 - Conducting notification, improvement or account cancellation due to faultiness, omission or incompleteness of customer data
 - Conducting the verification, notification and business restrictions on clients whose ID cards are expired
- *Intellectual Property Protection*

In order to create and protect the momentum of scientific innovation, technology leadership and sustainable profit growth, we especially emphasize that the business relationship must be established based on the absolute respect to intellectual property, confidential information and business secrets of the Company, clients and other stakeholders.

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DFZQ understands the value of confidential information to the Company and the importance of protecting such confidential information to the Company for maintaining its competitive advantages. In terms of safeguarding intellectual property, DFZQ mainly protects its own trademarks. The Company has registered four trademarks and five domain names in the Chinese competent authorities and has registered eight trademarks and one domain name in Trade Mark Registry of Hong Kong. As of the end of 2016, the Company's intellectual property was not subject to any major infringement or infringement allegations by third parties.

In addition, DFZQ and its employees regulate the usage of confidential information such as intellectual property and business secrets of clients and third parties, and require its clients and third parties to use the assets of the Company, including physical asset and intellectual property regulatedly.

3. STAFF DEVELOPMENT RESPONSIBILITY

In 2016, under the change in the financial market and increasing number of new entrants into the market, the trend of a mixed financial operation had been on the rise, together with increasingly intense competition among talents in the securities firm industry, all of which imposed higher challenge on staff development responsibility of DFZQ. With "creating happy life for the staff" as a mission, DFZQ concerned about the health and safety of the staff, and created a good working environment and development platform for the staff to encourage them to explore and progress and help them realize their self value.

3.1 Employment and Staff Interests

- *Staff employment*

With the listing of A Shares and H Shares as well as vigorous development of various business of the Company, DFZQ adopts a fair and impartial staff recruitment system in accordance with the principle of equal employment to actively promote talents introduction through multiple channels from the society and the campus, and also provides all the staff with an assurance of collective negotiation agreement. The Company rejects any discrimination or differentiated treatment based on race, color, gender, nationality, religion, age, social origin and other factors, and resolutely resists child labor or forced labor.

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In addition, the Company verifies identity of staff in the hiring process, and check the Company's overtime and labor intensity on a regular basis to ensure compliance with relevant laws and regulations. In 2016, DFZQ did not have any violations relating to employment of child labor and forced labor, nor did it have any labor disputes thereof.

Statistics on staff employment performance indicators

Indicators		Unit	2016	2015	2014
Total number of the staff	Total number of the staff	Person	4,171	3,671	3,055
By gender	Male	Person	2,300	2,033	1,740
	Female	Person	1,871	1,638	1,315
By age	>50	Person	159	135	132
	30 to 50	Person	2,450	2,079	1,817
	<30	Person	1,562	1,457	1,106
By region	Mainland China staff	Person	4,079	3,592	2,997
	Overseas staff (including Hong Kong, Macao and Taiwan)	Person	92	79	56
Employee turnover rate	Employee turnover rate	%	11	10	14
By gender	Male	%	12	8	10
	Female	%	8	11	22
By age	>50	%	8	15	19
	30 to 50	%	8	11	16
	<30	%	14	10	16
By region	Mainland China staff	%	10	10	16
	Overseas staff (including Hong Kong, Macao and Taiwan)	%	19	13	22

Note 1: The above data includes those of DFZQ, Orient Securities Futures, Orient Securities Capital Investment, Orient Hong Kong, Orient Securities Asset Management, Orient Securities Innovation Investment and Citi Orient.

Note 2: Part of the labor dispatch workers are excluded in the above data. DFZQ and its subsidiaries employed a small number of labor dispatch workers in positions such as security, driver, receptionist and cashier.

- **Remuneration benefit policies**

In accordance with the state regulations, the Company has set up various social insurances (pension insurance, medical insurance, unemployment insurance and maternity insurance) and established housing funds for its employees. The Company also provides additional pension and medical insurance to protect various holidays of staff and various interests of female staff in maternity on their maternity leave and resuming work after birth.

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In order to meet the needs of the Company's development and market competition, in 2016, the Company revised the Remuneration Management System, Performance Management System, Labor Contract Management System and other draft of human resources management system to guide the subsidiaries to formulate incentives to optimize assessment, and optimized the incentive allocation mechanism of the business department.

- *Communication and care*

In order to create a harmonious working environment and labor relations, DFZQ actively constructs a democratic management system and sincere communication and care, and establishes three special committees of staff representative congress relating to democratic management, democratic appraisal and labor dispute composition. Through a series of democratic management system on the basis of staff representative congress, the Company strives to maintain the staff's right of information, participation, expression and supervision so as to promote staff participation in corporate construction.

Based on the existing three-level management structure of "the Company's trade union – department trade union – labor union team", DFZQ established five trade unions at subsidiaries, 87 department trade unions and 43 trade union teams with 100% membership rate, realizing a full coverage of trade union organizations in 2016. Trade unions at all levels aim at building the trade union organization to be a reliable "worker's home" for the staff by performing their duties according to the law and operating in a standard manner.

In addition, DFZQ values creation and cultivation of its corporate culture, and establishes sincere communication between senior management and front-line, employees and employees by Oriental Afternoon Tea ("東方下午茶"), Oriental Culture Talent Gathering ("東方文化群英會"), Happy Orient APP and etc.

3.2 Occupational Health and Safety

Staff's occupational health and safety is an important step in realizing their happy life. DFZQ has complied with the relevant laws and regulations of occupational health and safety of the PRC. Apart from providing employees with regular annual health check and comprehensive medical insurance plan, DFZQ has also organized rich cultural and sports activities such as Baduanjin exercise and employees sports meeting to advocate the employees to "be happy in work and healthy in life". In 2016, no non-compliance of occupational health and safety of DFZQ's employees occurred in 2016.

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Ensuring a good working environment is an important commitment made by DFZQ to its staff occupational health. In 2016, Orient Hong Kong and Orient Securities Capital Investment both furnished their office area, and engaged professional agencies to detect and remove formaldehyde. In addition, the Company acquired air purifiers, purchased ergonomic office chairs, and engaged a professional external entity to design the placement and maintenance of the Company's green plants.

Program name	Group involved	Program content	Program results
Health through Oriental Baduanjin (“東方八錦緞，健康東方人”)	All staff of DFZQ and its subsidiaries	Promoting Oriental Baduanjin, a traditional Chinese fitness exercise, in various departments of the Company through centralized training and innovative competition and etc.; the elaborately-edited Baduanjin tutorial video demonstrated by Chairman Pan Xinjun has been put on the Company's OA website, its WeChat official account and Happy Orient APP	Encouraged employees to actively exercise to keep fit
Employees Sports Meeting	All staff of DFZQ and its subsidiaries	Lasting for 9 months, and conducting healthy running, tennis, badminton, football, swimming, chess, photography, square dance, half marathon and other events, with more than 7,000 participants; using the “Internet + trade union” model to show the a characteristic “campaign + public welfare” and promote the “Happy Orient” APP	Encouraged employees to “be happy in work and healthy in life”
Seminar on Oral Health	All staff of Citi Orient	Inviting Zeng Jun, the deputy director of Department of Stomatology in Shanghai Ninth People's Hospital, to give a seminar on oral health	Helped employees better prevent oral diseases and learn correct knowledge on oral health

Statistics on staff health and safety performance indicators

Indicators	Unit	2016	2015	2014
Number of work-related fatalities	Person	0	0	0
Lost days due to work-related injuries	Days	59	0	0

Note: The above data includes those of DFZQ, Orient Securities Futures, Orient Securities Capital Investment, Orient Hong Kong, Orient Securities Asset Management, Orient Securities Innovation Investment and Citi Orient.

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3.3 Training and Development

DFZQ firmly believes that the Company's sustainable development will surely be dependent on its talent management philosophy. In order to meet the needs of innovation and transformation in the industry and the Company's leapfrog development, DFZQ has been continuously creating innovative talent philosophy in talent reserve and team building, and realizes internal talent cultivation through career development system planning and staff training system while expanding external recruitment. The Company has made career development planning for different employees, cultivating them in accordance with their aptitude. Adopting a personalized training method, the Company actively integrates resources of the internal and external advantages, and on-lines and updates 52 courses with the features of the Company on its E-learning network training system to upgrade professional standards of the employees.

Closely centering on the Company's strategic objectives, DFZQ advances its training program and active innovation, thereby forming a complete staff training system. In 2016, the Company organized and held 72 various face-to-face internal trainings in total with 5,050 participants; 208 external trainings with 258 participants; more than 100 trainings through network with 6,660 participants.

Staff training system of DFZQ

Targeted group	Program name	Training methods
New staff	Mentorship for new staff; Micro courses for new staff	Career development planning Personalized training method E-learning online training system Excellent mentor resources
Reserve talents	Oriental Elite; Oriental Star; Jinfan Plan; Selection of managers reserve of branches	
Core teams	Boutique seminars; External professional courses learning	
Medium and senior management	Leadership enhancement program for medium and senior management	

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Progress on representative programs in 2016

Program name	Group involved	Program content	Program results
Oriental Elite Plan (東方菁英計劃)	16 youth reserve talents selected in 2015	Multiple training on youth reserve talents through temporary training, systematic training, rotation training, mentorship, special tasks and regular discussions	Consolidated the theoretical system of the knowledge, harvested high-quality mentor resources, vitally understood the Company's overall operating mode and communication and coordination with departments, and realized rapid improvement in management thinking and working ability
Jinfan Action (金帆行動)	Nearly 2,000 young employees involved, accounting for 98% of the total number of employees eligible for the competition	Lasting for one year, and selecting talents with innovative ideas through a total of 27 competitions	Promoted nearly 80 outstanding youth to stand out
"Orient Securities Capital Investment School" (“東證資本學堂”)	Headquarter of Orient Securities Capital Investment and its subordinate sub – funds	In view of the professionalism of the Company's business, and the large number of new and junior staff, a training mechanism of "Orient Securities Capital Investment School" has been established, which lectured by the leaders, the backbone of the team of the Company and the experts in the industry, covering all kinds of skills and experience which are needed for equity investment.	Employees participate the trainings actively to understand corporate policies and learn professional skills, so as to enhance their personal investment ability

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Statistics on staff training performance indicators

Indicators	Unit	2016	2015	2014
Expenditure on staff training	RMB'0000	455	363	282
Coverage ratio of staff training	%	100	100	100
Of which: Coverage ratio of male staff training	%	100	100	100
Coverage ratio of female staff training	%	100	100	100
Coverage ratio of general staff training	%	100	100	100
Coverage ratio of mid-level staff training	%	100	100	100
Coverage ratio of management staff training	%	100	100	100
Training hours received by all staff per capita per annum	Hours	42.4	37.5	30

Note: The above data includes that of DFZQ.

4. COMPLIANCE OPERATION RESPONSIBILITY

4.1 Supply Chain Management

As a financial service institution, DFZQ has a relatively small number of suppliers, so the Company's supply chain causes a lower negative impact on the environment and society, mainly including the energy consumption in daily operation, waste management in equipment maintenance, labor standards of service providers as well as the compliance and integrity in supply chain management.

The Company screens, evaluates and regularly inspects suppliers, and requires those non-compliance suppliers to conduct rectification thereof. Failure to meet the standard after rectification will disqualify them. In 2016, none of the Company's suppliers caused any significant actual and potential negative impacts on commercial ethics, environmental protection and labor standards, nor did they violate any regulations.

4.2 Anti-corruption

In 2015, ups and downs in the market imposed an unprecedented testing on the entire industries of securities, funds and futures. In 2016, the China Securities Regulatory Commission put forward the requirement of "regressing to the regulatory standard, improving rules and regulations, promoting regulatory transformation", and carried out strict supervision on compliance with conduct standard by practitioners (securities in particular) with "legitimate, strict and comprehensive supervision" as an important orientation for supervision enhancement.

Since 2011, DFZQ has been building staff practice conduct management structure in accordance with the requirements under the Securities Law of People's Republic of China and the Code of Conduct for the Practitioners of Securities Industry and other laws and regulations, and established comprehensive compliance management measures covering whole process of staff practice behavior in 2016.

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In 2016, DFZQ successfully advanced various compliance management under an effective operation of its compliance management system. Throughout the year, the Company did not materially violate any laws or regulations, nor was imposed with any administrative regulatory penalties or above, or exposed to any material risks relating to bribery, nor did it find any confirmed bribes relating to the Group, or any public legal proceedings against the Group or its staff's bribes.

- *Anti-money laundering*

DFZQ regards anti-money laundering as a basic obligation for financial enterprise. Since 2007, the Company has launched anti-money laundering works, and focused on three core prevention and control measures for anti-money laundering: identification of customers, customer identification data and transaction record preservation system as well as report on large-sum and suspicious transaction to strengthen the basic works of anti-money laundering. At the same time, the Company established a three-level organizational management structure involving the chief executives, department heads and business backbone, and constantly improved the anti-money laundering system construction and established a series of sound internal control system and monitoring system on anti-money laundering according to the requirements under a series of laws and regulations promulgated by the People's Bank of China.

- *Report and supervision*

In order to implement the basic system of compliance management, realize a regulated, standardized and procedural reporting on non-compliance events, and protect the legitimate rights of the informants, DFZQ has formulated the Working Measures for Non-compliance Reporting and the Norms on Acceptance and Handling of Non-compliance Reporting in accordance with the Rules for Supervision and Administration of Securities Companies, the Provisional Regulations on Compliance Management of Securities Companies and its basic system of compliance management.

The audit work is responsible for serving as the final defense line for the Company's compliance and risk control. DFZQ has set the audit department to carry out periodic audit on the Company's departments, securities branches, wholly-owned and controlling subsidiaries centering on regular audit, resignation audit, audit on economic responsibility and special audit. In 2016, DFZQ developed and on-lined "audit system" to further improve the audit efficiency.

5. ENVIRONMENTAL PROTECTION RESPONSIBILITY

DFZQ actively focuses on the environment where it operates in the process of wealth creation, adheres to valued investment, and incorporates the philosophy of sustainable development into the corporate culture and strategic guidelines. DFZQ always responds to the state initiate of energy-saving and emission reduction, guiding social capital to be invested into environmentally friendly enterprises; concerns about its own resources in operation and energy conservation, and creates sustainable office space to continuously improve its own environmental performance.

In 2016, DFZQ did not cause any environmental pollution events in its operation, nor was it involved into any confirmed violations or any appeals that were relevant to the environmental protection and had significant influence on the Company.

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5.1 Development of Green Finance

In 2016, seven ministry committees such as the People's Bank of China jointly issued the Guiding Opinions on the Construction of Green Financial System to inspire and mobilize more social capital to be invested into the green industry, as well as more effectively inhibit polluting investment. The Comprehensive Report on Green Finance of G20 submitted by China during the G20 summit also pointed out that green finance shall cover various financial institutions and financial assets so as to strengthen financial institutions' awareness of environmental risks and enhance environmentally friendly investment.

The Company actively responded to the state initiative of energy-saving and emission reduction, and supported environmental protection, resource conservation, ecologically friendly enterprises and investment and financing projects by guiding social capital, with a view to contributing to promoting economic, social and environmental coordination and sustainable development.

- *Guiding social capital to support environmental protection*
DFZQ supported the development and expansion of environmental protection by helping environmental enterprises with their listing and financing. The research institute of DFZQ has been maintaining a detailed study on the industry of the environmental protection, with a view to supporting the economic restructuring as well as transformation and upgrade of environmental protection by financing to combine financial wisdom and entity economy.

In 2016, the Company invested an accumulation of six environmental protection projects of the NEEQ, covering environmentally friendly new materials, waste disposal, environmentally friendly energy, environmentally friendly engineering design, landscape design and other fields. With the increased capital strength of the enterprise, the Company will surely achieve the rapid growth of the business and contribute to basic state policies of energy-saving and consumption reduction as well as environmental production under the impetus of technological innovation, talent integration and capital operation.

5.2 Green Operation

As a securities enterprise, the major environmental impacts caused by DFZQ are electricity, water and paper consumption in its daily operation. Under the background of climate change and the state initiative of energy conservation and emission reduction, the Company actively carries out energy-saving reform, cultivates the staff's daily environmental habits and behaviors, and strives to reduce energy consumption and improves the sustainable operation of the office place. Moreover, the Company exerts its own influence and advocates a sustainable life and consumption to the public so as to make contributions to protecting our common blue planet.

- *Creating green office space*
DFZQ starts from its own office space to practice its sustainable commitment. The Company built a new office building named "Orient Securities Building" at the Riverside Avenue of the Bund on July 26, 2016, which was built in strict compliance with the highest standard under the Assessment Standard for Green Building.

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During the construction phase, in accordance with the sustainable planning and design requirements of construction project and under the premise of guaranteeing project quality and safety, the Orient Securities Building team enhanced the management and supervision on the whole construction process, fully carried out the state policies of energy conservation and emission reduction as well as clean development so as to minimize negative impacts on environment caused by construction activities.

The Orient Securities Building is expected to be officially put into operation in 2017, on the occasion of which the building will make most of solar energy, geothermal energy and other renewable energies, and it will also reasonably use light zoning and automatic control system, thereby reducing the energy consumption in building operation. Meanwhile, technologies and methods, such as systematic heat recovery and fresh air cooling, rainwater storage and utilization, building multi-layer stereo greening will be adopted to maximize social resource saving, environmental protection and pollution reduction, thus providing a healthy, practical and efficient space to our staff and customers.

- *Paper reduction for a green office*

Under the background of low-carbon economy, DFZQ has been actively advocating and promoting the philosophy of “green office, low-carbon life” for a energy-saving, environmentally friendly and highly efficient management pattern.

In February, 2016, the Company made joint efforts with wealth management business department, operational management department as well as system research and development department to open a “one-counter-through” service and reduce paper use when processing internal counter businesses in operational department so as to minimize impacts on environment caused by its own operation. By applying electronic signature, virtual print and note synchronization and other technologies, paper agreements produced in business processing were replaced by electronic agreements, while under the premise of ensuring business security, “paperless” business processing was realized in general business account opening and customer data revision.

In addition, DFZQ has actively reduced paper consumption in its own operation to promote a paperless office. While popularizing the application of on-line office automation (OA) system to realize electronic release of all internal notices and plans, the Company thus increased the work efficiency and reduced the use of consumptive materials such as paper and printing ink for Company’s better overall performance in environmental protection.

- *Advocating sustainable lifestyles*

By advocating sustainable lifestyles and consumption philosophies to staff, DFZQ has made joint contributions to environmental protection. In 2016, the Company took active participation in the campaign of “Earth One Hour” and at 20:30-21:30 pm of March 19, 2016, lights in the Company went out for an hour to arouse staff’s attention to climate change. While introducing the origin, significance and participation procedures of the campaign “Earth One Hour” in “A Proposal to the Staff”, the Company proposed staff to start from daily life, live and consume in a sustainable way and cultivate an environmentally friendly habit, thereby working together to protect our blue planet.

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Statistics on environmental protection performance indicators

Indicators		Unit	2016	2015
DFZQ head-quarter	Total greenhouse gas emissions ¹	tonnes	2,889	3,325
	Greenhouse gas emissions per capita	tonnes/headcount	3.27	3.76
	Greenhouse gas emission per unit area	tonnes/sq.m.	0.12	0.14
	Total water consumption ²	tonnes	10,829	10,333
	Water consumption per capita	tonnes/headcount	12.25	11.69
	Water consumption per unit area	tonnes/sq.m.	7.05	6.72
	Total electricity consumption ³	KWH	3,560,889	4,098,375
	Electricity consumption per capita	KWH/headcount	4,028.15	4,636.17
	Electricity consumption per unit area	KWH/sq.m.	148.94	171.42
	Total natural gas consumption ⁴	cu.m.	48,962	42,917
	Natural gas consumption per capita	cu.m./headcount	55.39	48.55
	Natural gas consumption per unit area	cu.m./sq.m.	31.86	27.92
	Total office paper consumption	pack	4,049	4,285
	Total vehicle oil consumption	RMB'0000	19.40	32
Securities branches of DFZQ: ⁵	Total greenhouse gas emissions	tonnes	10,541	9,541
	Greenhouse gas emission per capita	tonnes/headcount	4.60	4.16
	Total water consumption	tons	70,998	53,403
	Water consumption per capita	tonnes/headcount	30.99	23.31
	Total electricity consumption	KWH	12,993,887	11,761,398
	Electricity consumption per capita	KWH/headcount	5,671.72	5,133.74

Note 1: The greenhouse gas emission refers to the indirect emission of electricity purchased externally, which is estimated with reference to the emission factor of East China regional power grid under the 2015 China Regional Grid Reference Line Emission Factor and this applies to the below section.

Note 2: The total water consumption and density data include the canteen of DFZQ headquarter, and the water consumption of the office shall be counted into property management fee and thus unknown.

Note 3: Total electricity consumption and density data include consumption in office and canteen of DFZQ headquarter.

Note 4: Natural gas consumption was only produced from the canteen of DFZQ headquarter, not from headquarter office and securities branches.

Note 5: Relevant environmental data in securities branches are estimated.

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6. SOCIAL CONTRIBUTION RESPONSIBILITY

As a financial service enterprise, the mission of DFZQ is not simply to create wealth, but also to share success with society and give both material and spiritual rewards to others. Through the protection and support of intangible cultural heritage and such public welfare actions as helping to learn, helping the poor and community services, the Company continuously contributes to improving people's livelihood and promoting social harmonious development.

6.1 Supporting Public Welfare Undertaking

- *Intangible cultural heritage protection*

In order to find out the intangible cultural heritage that has been forgotten by people, expand the forms of inheritance, arouse public interest and love for the protection of cultural heritage, and turn on a "new chapter" for intangible cultural heritage, DFZQ has launched a project for public interest under the name of Xindeyizhang, focusing on the protection of and support to intangible cultural heritage since 2014. The Company took this opportunity to launch the establishment of the "Shanghai DFZQ Xindeyizhang Public Welfare Foundation" (hereinafter referred to as the "Xindeyizhang Foundation"), and was granted approval in April, 2015.

In 2016, DFZQ chose to invest in the project of "A Beautiful City in Western China | Dunhuang" which was jointly carried out by the Xindeyizhang Foundation together with the First Financial Public Welfare Foundation and Dunhuang Research Institute and will last for five years. This project aims at protecting Dunhuang classic culture with digital technologies such as new media, presenting a beautiful Dunhuang to the public who will be guided and empowered by the culture just as light does.

In 2016, in the "A Beautiful City in Western China | Dunhuang" project, with Dunhuang culture as a blueprint, a short film entitled "Twilight in Mogao Grottoes" was created with more than 2,000 pieces of hand-painted fenders, which lasted nine months, as well as the first digital animation created with traditional techniques and Dunhuang elements in China. From December 18, 2016 to January 3, 2017, Shanghai Museum of Contemporary Art held an exhibition named "A Beautiful City in Western China | Dunhuang Project Witnessing Twilight Public Exhibition". With the latest technology, Dunhuang murals could "go out" to the public. More than 80 volunteers from the public, DFZQ and its subsidiaries provided visitors guidance and explanation services for more than 800 hours during the 15-day exhibition.

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- *Voluntary activities*

The Youth League Committee of DFZQ established the “Oriental Sunflower Youth Volunteers Association” in 2015 to periodically organize its staff to participate in various non-profit activities. In 2016, the association set up the “Orient Finance Youth Voluntary Lecturers” and organized two non-profit financial lectures while in the future the association will, in accordance with the service spirit of youth volunteers, in response to the call of serving the entity economy, through the form of financial wealth management training, serve society, enter communities, and carry out joint construction and exchange activities with more enterprises and organizations, thereby displaying the vitality of the young in the East.

6.2 Promoting Community Development

- *Securities finance poverty-relief*

The sustainable development of financial industry is based on a harmonious and stable society. Closely centering on a basic strategy of “precise poverty-relief and precise poverty removal”, DFZQ has founded a poverty-relief project team. Based on the principles of development-oriented poverty-relief and sustainable development, the Company focuses on the enhancement of self-development capability for those living under the poverty line.

On November 7, 2016, DFZQ signed the Strategic Cooperation Agreement on Poverty Alleviation with the people’s government of Daur Autonomous Banner of Morin Dawa (hereinafter referred to as “Morin Banner”), Hulun Buir, Inner Mongolia, a state-level poverty-stricken county in China, aiming at helping in pairs to alleviate Morin people’s poverty. The poverty-relief project team conducted field visits and researches on Morin Banner, formulated planning and carried out the poverty-relief work in consumption, industry, finance, education and public welfare.

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DFZQ-Morin Banner 2016 Poverty Relief Achievements and Follow-up Plans

Poverty-relief through consumption	<p>Results in 2016: Successfully recommended 7 characteristic agricultural products of Morin Banner to be online on the consumption poverty alleviation platform under China's financial poverty alleviation comprehensive service platform</p> <p>Follow-up plans: Accelerating platform sales Applying "consumer subscription" and "up-sells" to ensure the implementation of consumption poverty-relief program Sorting out the number and conditions of recorded poor households with Morin's beneficiary enterprises</p>
Industrial poverty-relief	<p>Results in 2016: Determined Morin Banner "Guniang" industry as the orientation for industrial poverty-relief</p> <p>Follow-up plans: Carrying out an in-depth inspection on product place of origin and establishing Guniang brand base Working with Benlai.com and screening the Guniang products according to the 43 product testing standards of Benlai.com Brand packaging and building for Morin Banner Guniang products Promoting Guniang products with the advantage of the Orient Securities Group and the Benlai.coms channels</p>
Educational poverty-relief	<p>Results in 2016: Determined the method of assisting the senior high school students in Morin Banner for 2017</p> <p>Follow-up plans: Filling in the registration form, the funds application form to determine the number of students who will be supported The poverty-relief funds being distributed to the recorded families to help poor high school students successfully complete their studies Further investigating the recorded condition of junior students and the specific reasons of poverty caused by their education Further discussing specific relief channels so as to expand the benefits of poverty-relief project</p>
Public welfare poverty-relief	<p>Results in 2016: Determined Morin Banner's "hockey" and "Lurigele" as the orientation for intangible cultural heritage inheritance project</p> <p>Follow-up plans: Appropriate supplement to hockey training expenditures and funding outstanding hockey players By providing stable income to help alleviate poverty and promote the development of Morin Banner's hockey sports Supplement to the daily performance expenditures of Morin Banner's Wulanmuqi Troupe, thereby improving the training and performance environment of the performers Sponsoring those excellent performers by providing scholarship and chance of training and etc. Providing chance of performance outside to spread Morin Banner culture and bring more visitors there</p>
Financial poverty-relief	<p>Results in 2016: Initially investigated Morin Banner's needs for point financial services</p> <p>Follow-up plans: Providing financial services including IPO, bond underwriting and issue, NEEQ quotation and financing and etc. Providing financial knowledge for the government, corporate finance consulting and capital market business training</p>

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- *Rural and urban pair-up poverty-relief*

DFZQ is concerned about the economic development, pair-up help with vulnerable groups, infrastructure improvements of the communities where principle places of business are located, as well as further implementation of rural and urban pair-up poverty-relief program.

In 2016, the Company carried out the pair-up poverty-relief program “DFZQ-Chongming Xinmin Village” for the seventh consecutive year and allocated RMB200,000 for the construction of Xinmin village infrastructure projects; provided consolation funds of RMB8,500 in total to poor families and funded poor villagers for 17 times; a donation of RMB55,200 collected from CPC members at grass-root level was put into “DFZQ-Chongming Xinmin Village”, a special fund for students in need, which funded 44 needy students in Xinmin village.

In addition, the Company carried out a rural comprehensive poverty alleviation program in 12 underdeveloped villages in Fengjing Town, Jinshan District, Shanghai City for the third consecutive year. In 2016, the Company also allocated poverty alleviation funds in the amount of RMB5,000,000 and organized 4 subsidiaries to enter into poverty alleviation agreements with 4 comparatively underdeveloped villages in Fengjing Town so as to promote the implementation of the “regional co-ordination, substantive support, project operation” hematopoietic mechanism.

Statistics on community input performance indicators

Indicators	Unit	2016	2015	2014
Number of employee volunteers	person	45	20	8
Average volunteering hours of employees	hour	22	8	15

Note: The above data included that of DFZQ.

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7. KEY PERFORMANCE INDICATORS AND SOCIAL RECOGNITION FOR THE YEAR 2016

Indicators	Unit	2016
Environment		
Emissions	Total greenhouse gas emissions	tonnes
		13,430
	Greenhouse gas emissions per capita	tonnes/headcount
		4.23
Resource use	Total electricity consumption	KWH
		16,554,776
	Electricity consumption per capita	KWH/headcount
		5,214.10
	Total water consumption	tonnes
		81,827
	Water consumption per capita	tonnes/headcount
		25.77
Society		
Employment		
Total number of staff	person	4,171
Staff turnover rate	%	11
Health and safety		
Total number of work-related fatalities	person	0
Lost days due to work injury	days	59
Development and training		
Staff training coverage rate	%	100
Average training hour per capita	hour	42.4
Product responsibility		
Number of customer complaints	cases	20
Percentage of customer complaints being handled	%	100
Community investment		
Attendance of the staff's voluntary activities	person	45
Average volunteering hours of employees per capita	hour	22

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Social recognition of DFZQ in 2016

Name of honors	Conferred by
Entrepreneur Social Responsibility Award for 2015	2015 Shanghai TOP Financial Awards Ceremony organized by the “Oriental Morning Post” and co-organized by “The Paper”
Top 20 Best Practice of Supervisory Committee of Listed Companies	“Best Practice of Supervisory Committee of Listed Companies” jointly organised by China Association for Public Companies, SEE and Shenzhen Stock Exchange
2016 China’s Best Market Maker on NEEQ	Initiated by the Securities Times
Shanghai Enterprise Excellent Brand for Innovative Culture	2016 Shanghai enterprises innovative culture brand exhibition activities jointly organized by the Promotion Department of Shanghai Party Committee, Shanghai Ideological and Political Research Association and other units
Orient Winner was honored the Best Investment Advisory Brand	the 2016 China’s best wealth management agency selection held by the Securities Times
The Best Case of Cross-industry Cooperation for the Year	2016 Invest in Green Future – CSR Excellent Award Selection organized by the Jiefang Daily, Shanghai Daily and eastday.com under the guidance of Information Office of Shanghai Municipality, Shanghai Municipal Commission of Commerce and Shanghai Environmental Protection Bureau
Orient Winner was honored the Best Organizer Award	“You Kan Tou” A Share Investment Challenge held by China Business Network APP
The second prize of team in securities integrated business skills competition	2016 Shanghai Financial System Bank Securities Insurance Integrated Business Skills Competition
The third place in securities group	ISG in China

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8. HKEx ESG REPORTING GUIDELINES INDEX

Aspect, general disclosure and key performance indicator	Description	Disclosure chapter
Main scope A. Environment		
Aspect A1. Emissions		
General Disclosure A1	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to exhaust and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	Environmental protection responsibility
KPI A1.1	Types of emissions and respective emissions data	–
KPI A1.2	Total green-house emissions (in tonnes) and, where applicable, intensity (e.g. per unit of production volume, per facility)	Environmental protection responsibility
KPI A1.3	Total hazardous waste produced (in tonnes) and, where applicable, density (e.g. per unit of production volume, per facility)	Not applicable
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where applicable, density (e.g. per unit of production volume, per facility)	–
KPI A1.5	Description on measures to mitigate emissions and results achieved	Environmental protection responsibility
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	–
Aspect A2. Use of Resources		
General Disclosure A2	Policies on effective use of resources (including energies, water and other raw materials).	Environmental protection responsibility
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (KWH in '000) and intensity (e.g. per unit of production volume, per facility)	Environmental protection responsibility
KPI A2.2	Total water consumption and intensity (e.g. per unit of production volume, per facility)	Environmental protection responsibility
KPI A2.3	Description on energy use efficiency initiatives and results achieved	Environmental protection responsibility
KPI A2.4	Description on whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	Environmental protection responsibility

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Aspect, general disclosure and key performance indicator	Description	Disclosure chapter
KPI A2.5	Total packaging material used for finished products (in tonnes), and, if applicable, with reference to per unit produced	Not applicable
Aspect A3. Environment and Natural Resources		
General Disclosure A3	Policies on minimizing the issuer's significant impact on the environment and natural resources	Environmental protection responsibility
KPI A3.1	Description on the significant impacts of activities on the environment and natural resources and actions taken to manage them	Environmental protection responsibility
Main scope B. Society Employment and Labor Practices		
Aspect B1. Employment		
General Disclosure B1	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	Staff development responsibility
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	Staff development responsibility
KPI B1.2	Employee turnover rate by gender, age group and geographical region	Staff development responsibility
Aspect B2. Healthy and Security		
General Disclosure B2	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	Staff development responsibility
KPI B2.1	Number and rate of work-related fatalities	Staff development responsibility
KPI B2.2	Lost days due to work injury	Staff development responsibility

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Aspect, general disclosure and key performance indicator	Description	Disclosure chapter
KPI B2.3	Description on occupational health and safety measures adopted as well as related ways of implementation and supervision	Staff development responsibility
Aspect B3. Development and Training		
General Disclosure B3	Policies on improving employees' knowledge and skills for performing duties and work. Description on training activities	Staff development responsibility
KPI B3.1	The percentage of employees (e.g. senior management, middle level management and etc.) trained by gender and employee category	Staff development responsibility
KPI B3.2	The average training hours completed per employee by gender and employee category	Staff development responsibility
Aspect B4. Labor Standards		
General Disclosure B4	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to the prevention of child labor or forced labor	Staff development responsibility
KPI B4.1	Description on measures to review employment practices to avoid child and forced labor	Staff development responsibility
KPI B4.2	Description on steps taken to eliminate such violations when discovered	Staff development responsibility
Aspect B5. Supply Chain Management		
General Disclosure B5	Policies on managing environmental and social risks of the supply chain	Compliance operation responsibility
KPI B5.1	Number of suppliers by geographical region	–
KPI B5.2	Description on practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	Compliance operation responsibility

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Aspect, general disclosure and key performance indicator	Description	Disclosure chapter
Aspect B6. Product Responsibility		
General Disclosure B6	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress	Product and customer services responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Not applicable
KPI B6.2	Number of received complaints related to products and services and solutions	Product and customer services responsibility
KPI B6.3	Description on practices related to observing and protecting intellectual property rights	Product and customer services responsibility
KPI B6.4	Description on quality assurance process and product recall procedures	Not applicable
KPI B6.5	Description on consumer data protection and privacy policies, how they are implemented and monitored	Product and customer services responsibility
Aspect B7. Anti-corruption		
General Disclosure B7	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to prevention of bribery, extortion, fraud and money laundering	Compliance operation responsibility
KPI B7.1	Number of concluded lawsuits regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	Compliance operation responsibility
KPI B7.2	Description on preventive measures and whistle blowing procedures, and how they are implemented and monitored	Compliance operation responsibility

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Aspect, general disclosure and key performance indicator	Description	Disclosure chapter
Aspect B8. Community Investment		
General Disclosure B8	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities takes communities' interests into consideration	Social contribution responsibility
KPI B8.1	Focus on contribution areas (e.g. education, environment, labor needs, health, culture and sports)	Social contribution responsibility
KPI B8.2	Resources contributed to the focus area (e.g. money and time)	Social contribution responsibility

9. ON THIS REPORT

Basis of preparation

This report was prepared with reference to the Environmental, Social and Governance Reporting Guidelines issued by the Stock Exchange of Hong Kong Limited.

Coverage

Organizational scope: The report is mainly based on Orient Securities Company Limited, which partially covers its subsidiaries: Shanghai Orient Securities Futures Co., Ltd., Shanghai Orient Securities Capital Investment Co., Ltd., Orient Finance Holdings (Hong Kong) Limited, Shanghai Orient Securities Asset Management Co., Ltd., Shanghai Orient Securities Innovation Investment Co., Ltd., Citi Orient Securities Co., Ltd. and China Universal Asset Management Limited Liability Company.

Time scope: from January 1, 2016 to December 31, 2016.

Release cycle: This report is an annual report.

Data statement

The data and cases in this report come from the Group's original records or financial reports in actual operation. The financial data of this report are in RMB. During the reporting period, there were no confirmed non-compliance incidents in relation to environmental protection of the Company or its subsidiaries included in this report, based on the data retrieval through the environmental databases of Institute of Public and Environmental Affairs (IPE) and Shanghai Qingyue (上海青悦環保).



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