

2021

GUOTAI
JUNAN

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE REPORT



国泰君安
GUOTAI JUNAN

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GUOTAI JUNAN SECURITIES AT A GLANCE

BASIC CORPORATE INFORMATION

Chinese name 國泰君安證券股份有限公司

Abbreviation in Chinese 國泰君安、國泰君安證券

Abbreviation in English Guotai Junan Securities Co., Ltd.

Headquarters address 768 West Nanjing Road, Jingan District, Shanghai, PRC

Business scope

Securities brokerage; proprietary securities trading; securities underwriting and sponsorship; securities investment consultation; financial advisory in relation to securities trading and securities investment activities; margin financing and securities lending; securities fund distribution; agency sale of financial products; public fund business, intermediary services to futures firms; stock options market makings; and other businesses approved by the CSRC

Listing status

A
shares

Shanghai Stock Exchange

stock abbreviation: GTJA

stock code: 601211

H
shares

Hong Kong Stock Exchange

stock abbreviation: GTJA

stock code: 02611



Total assets

791.3 billion RMB



Total staff

13,341



Operating income

42.8 billion RMB

BUSINESS PRESENCE

Global footprint

6 countries and regions

Controlled subsidiaries

Guotai Junan Financial Holdings, Guotai Junan Asset Management, Guotai Junan Futures, Guotai Junan Innovation Investment, Guotai Junan Zhengyu, Guoxiang Properties

Domestic branches

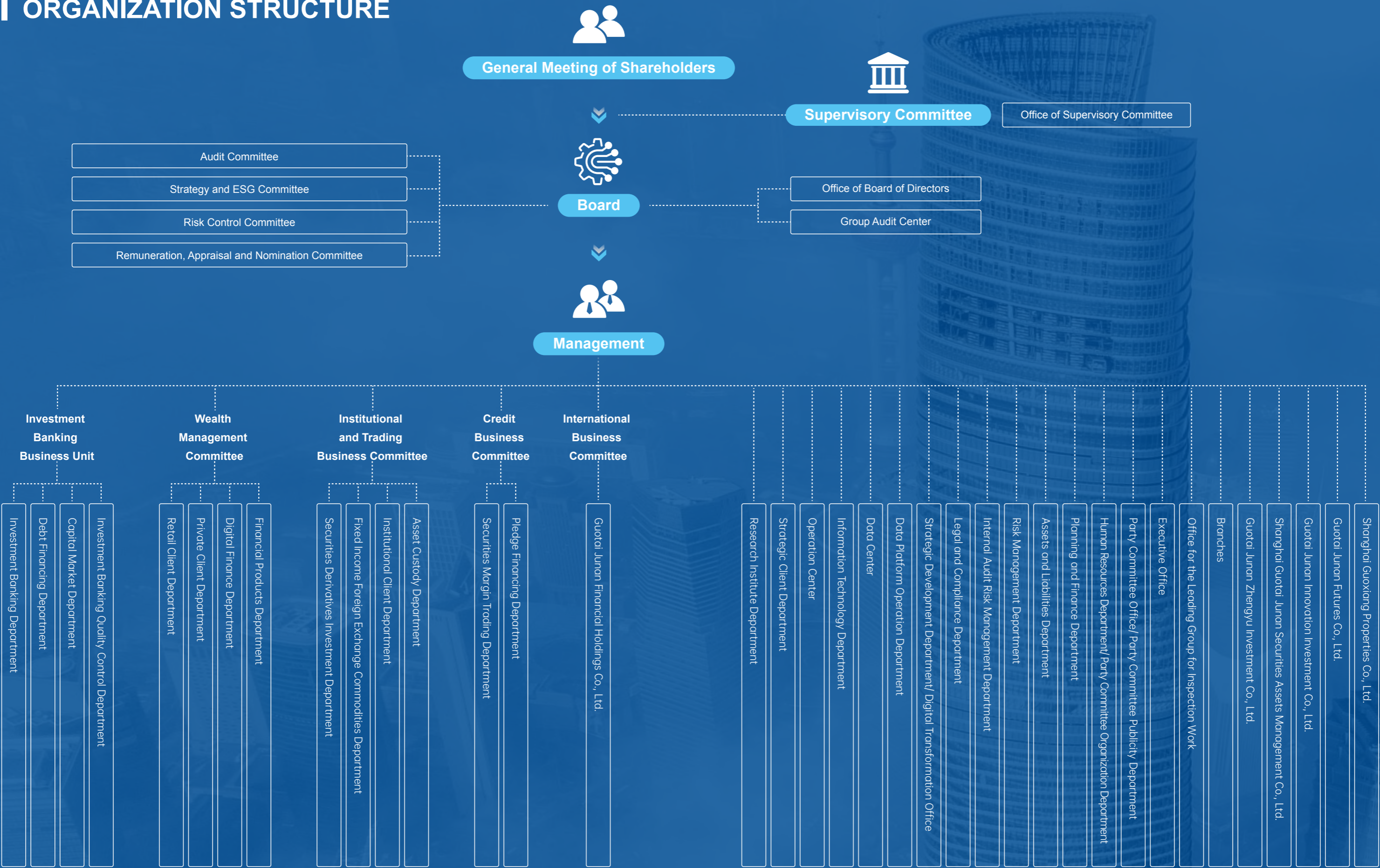
31 securities branch offices

16 futures branch offices

339 securities branches

7 securities branches

ORGANIZATION STRUCTURE



SOCIAL RESPONSIBILITY MANAGEMENT

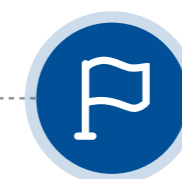
DEVELOPMENT STRATEGIES

Under the national and Shanghai's 14th Five-Year Plans and the 2035 long-term development goals and tasks, the Company puts forward a new blueprint to be a "respectable, comprehensive leading, internationally competitive modern investment bank" as its vision and goals, a route map of "Nine-Year Strategic Plan in 3 Three-Year Steps" and a construction map of "integrated services, digital operations, international layout and group management". On this brand-new blueprint, Guotai Junan integrates the concept of "Serving the Country with Financial Services (金融報國)" into its development strategies and takes the fulfillment of its social responsibilities and sustainable development as an integral part of its strategies.



Respectable

is our goal and vision. Only through endowing our country, nationalities, society and industry with more positive value creation and guidance, demonstrating more corporate social responsibilities, increasing the sense of acquisition of our clients and shareholders and practicing the industry culture of "compliance, integrity, professionalism and prudence" in a more exemplary way, can we be truly respected, achieve an ever-lasting foundation and always spearhead the times.



Comprehensive leading

means no short in general and characteristic in parts. To achieve comprehensive leading, we should not only take the lead in some businesses, but also take the lead in the overall situation. We should not only take the lead in "hard indicators" such as scale and efficiency, but also in "soft power" such as system and culture. We should not only take the lead at present, but also take the lead in long-term future.



Internationally competitive modern investment bank

means that we must be capable of participating in global competition, cooperation and resource allocation on the global financial arena on behalf of the PRC securities industry, and possess Chinese characteristics in terms of technology, system and culture. To build a modern investment bank, it is necessary to practice internal skills, strengthen learning efforts and continuously enhance professional attitude and core competitiveness, laying a solid foundation for one's own high-quality development.



CONCEPT AND MODEL OF SOCIAL RESPONSIBILITY

With the goal of becoming a "respectable, comprehensive leading, internationally competitive modern investment bank", the Company establishes an action model for fulfilling its own social responsibilities, to take actions in five major sectors and fully perform its economic, political, social and environmental responsibilities, thereby creating greater sustainable comprehensive value for governments and regulatory agencies, investors, clients, employees, suppliers and partners, community and environment, and other stakeholders.

We serve the country with financial services and bravely shoulder our mission

We adhere to our ideal and belief of "serving the country with financial services", insist on honest action and being not afraid of any vicissitudes, always keep the feeling of enterprise integrated with country and finance for good, and bravely shoulder our mission of serving the high-quality development of real economy and meeting the social wealth management needs.

We regard our clients as our first priority and balance the interests of all stakeholders

We prioritize our clients and aim to create value for them with our professional services. And we balance the interests of shareholders, employees, society and other parties by actively responding to the demands of various stakeholders and promoting the fulfillment of overall responsibilities and obligations through high-quality development.

We stick to the bottom line and strive for excellence

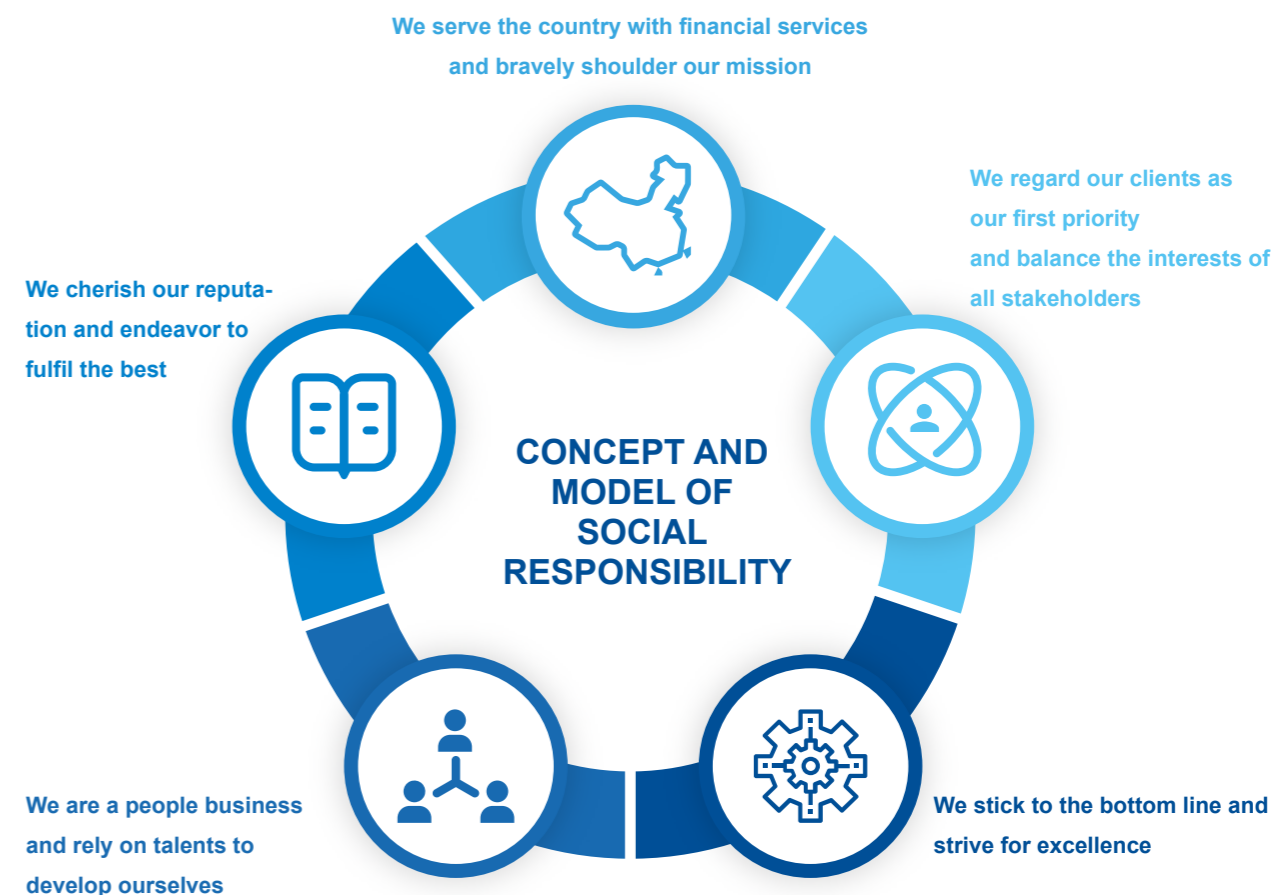
We proactively practice our concept that risk management creates value and future development relies on compliant operations, to earnestly build the compliance and risk control capabilities as the Company's primary core competitiveness. While sticking to the bottom line, we strive for excellent and ultimate comprehensive financial services to provide our clients with optimal experiences and results.

We are a people business and rely on talents to develop ourselves

We view employees as the cornerstone of our survival and growth and thus attach great importance to employees' career development and humanistic care, and continuously enhance employees' sense of gain. We adhere to a business philosophy of "talents are primary resources" to vigorously promote the strategy of developing with talents and accelerate the construction of a talent highland in the industry.

We cherish our reputation and endeavor to fulfil the best

We are well aware that as a responsible corporate citizen, we shoulder multiple responsibilities in economic, political, environmental and social aspects, and hope to build a well-respected corporate brand image through devoting ourselves to charity, environmental protection and other public welfare undertakings and striving to create greater comprehensive value.



STRUCTURE OF SOCIAL RESPONSIBILITY MANAGEMENT

The Company deeply recognizes the importance of ESG management to its social responsibility practice and hopes to promote its own level of fulfilling responsibility to a new stage through continuous improvement of its ESG management level.

To further support the systematization of its ESG management, the Company restructured the original Strategy Committee under the Board of Directors to the Strategy and ESG Committee and revised the Articles of Association in November 2021, marking the entrance of its ESG management into a new stage.

To improve and standardize the exercise of duties by the Strategy and ESG Committee under the Board of Directors in an independent, disciplined and effective manner in accordance with the laws and regulations, the Company has formulated the Working Rules of the Strategy and ESG Committee under the Board of Guotai Junan Securities Co., Ltd. pursuant to the requirements of the Exchange, relevant laws and regulations and the Articles of Association, which clarifies the main functions and duties of the committee in ESG management and provides governance guarantees for the promotion of its subsequent ESG management.

Main functions and duties of the Strategy and ESG Committee of the Board in ESG management

01

Providing decision-making recommendations to the Board on the Company's ESG strategies, including ESG visions, goals, strategies, policies, etc.

02

Supervising the Company's implementation of ESG strategies and the progress of objectives, evaluating the potential impact of ESG work on the Company's business model and related risks, listening to internal and external feedbacks on ESG work, and putting forward suggestions on the improvement of subsequent ESG work

03

Monitoring the Company to strengthen communication with investors, regulators and other stakeholders, evaluating the effectiveness and impact of the Company's ESG governance, promoting the construction of ESG culture, and reviewing ESG reports

04

Studying and promoting the rule of law, cultural development and other important work of the Company

05

Checking and evaluating the implementation of the above matters, and providing timely advices for necessary adjustments

I BOARD MANAGEMENT STATEMENT

The Strategy and ESG Committee of the Board of Directors of Guotai Junan Securities Co., Ltd. is a special committee established under the Board of Directors and shall be accountable to the Board of Directors. The work of Guotai Junan related to the ESG management is delegated by the Board of Directors to the Strategy and ESG Committee for supervision and execution.

Based on the analysis of national strategic requirements, the interpretation of external situation, as well as the benchmarking against practices of domestic and foreign financial institutions, Guotai Junan dynamically identifies and analyzes its focuses and priorities in ESG management, and integrates ESG topics with higher importance into the Company's strategic decision-making, daily operation and management. The following topics are the focus of the Company in 2021 as well as the actions taken.

Upholding the leadership of Party building

The Party committee of the Company thoroughly studies and implements Xi Jinping's socialist thoughts with Chinese characteristics in the new era and grasps major opportunities arising from the comprehensive pilot reform of regional state-owned enterprises in Shanghai to explore a way of Party building featuring state-owned enterprise, industry and in-house particulars. The Company sticks to the five keywords of "high, integrated, innovative, strict and practical (高、融、新、嚴、實)", and insists on the leadership of Party building as the "first responsibility" in the development as the "first priority", providing a strong political guarantee for the Company to embark on a new journey of high-quality development.

Serving major national and regional strategies

The Company firmly captures major strategic opportunities such as building a leading area for socialist modernization in Pudong and establishing the Beijing Stock Exchange, serves "Belt and Road" initiative and the construction of the Beijing-Tianjin-Hebei region and the Guangdong-Hong Kong-Macao Greater Bay Area and other major national strategies, serves Shanghai to implement "Three Major Tasks", strengthen "Four Major Functions" and build "Five Centers", striving to be a pioneer in serving major national and regional strategies.

Facilitating dual-carbon goal

The Company is the first in the industry to release the "Action Plan for Implementing Peak Carbon Emissions and Carbon Neutrality of Guotai Junan (《國泰君安踐行碳達峰碳中和行動方案》)", pursuant to which it continuously improves the level of green and low-carbon financial services by fully leveraging its full-license advantages in securities, striving to achieve its own "peak carbon emissions and carbon neutrality" as soon as possible, and thereby contributing the financial strength to serve the construction of Shanghai International Carbon Finance Center and achieve the national strategic goal of "peak carbon dioxide emissions and carbon neutrality".

Serving rural revitalization

To steadily promote the "effective connection of poverty alleviation with rural revitalization", the Company utilizes the social welfare foundation platform to integrate its dual resources in the field of public welfare and finance with a focus on four major sectors of rural revitalization, urban-and-rural comprehensive support, education assistance and financial empowerment, striving to serve national strategies and meet social needs with professional social welfare solutions.

Promoting digital transformation

To be a "leader" in digital transformation, we promote the construction of "SMART investment bank" within the whole group, in all fields and in an all-round way, accelerate the transformation of traditional information technology infrastructure into comprehensive digital operation capabilities, and enhance the informatization and digitalization level of operation and management, providing our clients with more convenient, faster, safer and more people-oriented digital service experience.

This report has made a detailed disclosure about the progress and achievements for the management of the above key topics, and its contents have been reviewed and approved by the Board of Directors of the Company.

ENTERPRISE INTEGRATED WITH COUNTRY, FINANCE FOR GOOD

BACKGROUND FOR DUTY FULFILMENT

2021 was a year of comprehensive deepening reform in the PRC capital market, and also a crucial year connecting the "first three years" under the strategic conception of Guotai Junan. In the year, the Company embraced its responsibilities for overall situation, actively served major national and regional strategies, and endeavored to practice the feeling of "enterprise integrated with country, finance for good" as a state-owned financial enterprise, integrating the promotion of its own strategic path into the grand national development blueprint.

HIGHLIGHTS FOR DUTY FULFILMENT IN 2021

Completing **RMB86.5 billion** corporate equity financing and **RMB639.2 billion** debt financing in the Yangtze River Delta region

Completing a trading volume of approximately **23 million tons** in the FICC carbon finance business, with a trading amount of approximately **RMB800 million**

Underwriting **53** green bonds, with a total issuance size of over **RMB55 billion**

Underwriting **22** carbon neutrality bonds, with a total issuance size of over **RMB16 billion**

Underwriting **8** rural revitalization bonds, with a total issuance size of over **RMB3.3 billion**

The expenditure of Guotai Junan Social Welfare Foundation in public welfare amounted to **RMB30.4194 million**

MATERIAL TOPICS ADDRESSED IN THIS CHAPTER

- ☒ Major National and Regional Strategies
- ☒ Dual-Carbon Goal
- ☒ Green and Low-Carbon Operations
- ☒ Rural Revitalization
- ☒ Social Welfare

BE A PROMOTER OF REGIONAL DEVELOPMENT

"Serving the Country with Financial Services (金融報國)" is the firm ideal and belief of Guotai Junan. The Company firmly adheres to what is of vital importance to the nation and captures major strategic opportunities such as building a leading area for socialist modernization in Pudong and establishing the Beijing Stock Exchange, contributing to both regions and nation. It serves Shanghai in implementing "three major tasks", strengthening "four major functions" and building "five centers", and serve the development of the Beijing-Tianjin-Hebei region and the Guangdong-Hong Kong-Macao Greater Bay Area as well as other major national strategies, striving to be a pioneer in serving major national and regional strategies.

Serving Shanghai in major strategic missions

01 Serving Pudong New Area in high-level reform and opening up and building a leading area for socialist modernization

In October 2021

the Company signed a strategic cooperation agreement for "Golden Middle Ring Development Fund for Zhangjiang Science" with Pudong Investment Holding Group (浦東投控集團), Zhangjiang Hi-Tech (張江高科) and China Pacific Insurance (中國太平洋保險) to assist Zhangjiang in building a world-class science city that leads innovation and development

In November 2021

the Company reached a strategic cooperation with Shanghai Golden Bridge (Group) Co., Ltd. (上海金橋(集團)有限公司) to assist Golden Bridge in accelerating infrastructure construction, consolidating the foundation for industrial development and optimizing industrial ecosystem

In December 2021

the Company set up the Shanghai Lin-Gang Guotai Junan Technology Frontier Industry Fund (上海臨港國泰君安科技前沿產業基金) in cooperation with Shanghai International Group Co., Ltd., Shanghai Lin-Gang Special Area Private Equity Fund Management Co., Ltd. (上海臨港新片區私募基金管理有限公司) and other third party partners to assist the Lin-Gang Special Area in building a new highland for industrial development.

In November 2021, the Company signed a strategic cooperation agreement with the government of Pudong New District, and released (《服務浦東新區高水平改革開放打造社會主義現代化建設引領區、落實上海國際金融中心建設“十四五”規劃的行動方案》), and passed six major tasks and 15 special action measures to provide more professional and high-quality comprehensive financial services for promoting technological innovation and the development of real economy, and assisting residents to maintain and increase their wealth and realize common prosperity, striving to take on new duties and tasks in serving Pudong New Area in high-level reform and opening up, building a leading area for socialist modernization and implementing the "14th Five-Year Plan" for the construction of Shanghai World Financial Centre.



02 Serving Shanghai in fully implementing "three major tasks"

Servicing the establishment of Sci-Tech Innovation Board and pilot registration-based system

- As of the end of 2021, there were a total of 60 applications made to the Sci-Tech Innovation Board, raising RMB32.864 billion, nearly 420,000 clients who opened brokerage services on the Sci-Tech Innovation Board and 123,300 clients who were authorized to conduct margin financing and securities lending on the Sci-Tech Innovation Board
- Being recognized as the "most contributing institution on the Sci-Tech Innovation Board in 2021 (2021科創板最具貢獻機構)", sponsoring JOUAV, NovelBeam Technology, SINE Electric and other enterprises to successfully enter into the Sci-Tech Innovation Board
- Investing in and helping various sci-tech enterprises such as Linkage Software, Jenkem Technology and Hynar to successfully enter into the Sci-Tech Innovation Board, introducing "source of fresh water" to the Sci-Tech Innovation Board

Serving the integrated development of the Yangtze River Delta

- Establishing a leading group for the coordinated development of the Yangtze River Delta, upgrading the Suzhou branch which serves national strategy and deeply explores regional market, and completing equity financing of RMB86.5 billion and debt financing of RMB639.2 billion for enterprises in the Yangtze River Delta region, thereby promoting the high-quality and integrated development of the regional economy
- Successfully underwriting the first domestic integrated construction corporate bond (green bond) in the Yangtze River Delta - "Public Offering of Green Corporate Bonds to Professional Investors in 2021 of Jiangsu Communications Holding Co., Ltd. (Yangtze River Delta Integrated Construction Bonds)"
- Entering a strategic cooperation with the people's governments of Wujiang District, Industrial Park and High-tech Zone in Suzhou, Jiangsu Province, the people's governments of Qingpu District, Putuo District and Xuhui District in Shanghai and other governmental agencies, to comprehensively enhance the development level of both parties and jointly promote the integrated and high-quality development of the Yangtze River Delta

Serving the construction of Shanghai Pilot Free Trade Zone Lin-Gang Special Area

- Entering into a tripartite strategic cooperation agreement with Lin-Gang Special Area Administration and Lingang Group to create the new model of cooperation between government and firms
- The public offering of REITs of "Guotai Junan Lin-Gang Dongjiu Industrial Park (國泰君安臨港東久產業園)" was approved by the National Development and Reform Commission and formally submitted to the CSRC to assist the Lin-Gang Special Area in building a new highland for industrial development

03 Serving Shanghai in the construction of "five centers"

Serving the construction of Shanghai Science and Technology Innovation Center

- Issuing Guotai Junan Zhangjiang Guangda Park publicly-raised REITs project (國泰君安張江光大園公募 REITs 項目) that is the first batch in China and the first in Shanghai, to strengthen innovation engine and build a new highland of independent innovation in Shanghai
- Increasing the investment in three leading industries: integrated circuits, life sciences and artificial intelligence, continuously giving play to industry funds, enhancing the comprehensive financial service capabilities in investment and financing across the industry chain, and better serving strategic emerging industries, "3 Innovations and 4 News (三創四新)" growth enterprises and "Specialty, Excellency, Uniqueness and Innovation (專精特新)" SMEs to develop and grow

Serving the construction of Shanghai World Financial Centre

- Releasing the "Accelerated Construction of Shanghai Global Asset Management Center - International Experience and Shanghai Exploration Research Report (《加快建設上海全球資產管理中心—國際經驗與上海探索研究報告》)"
- Entering into a strategic cooperation with China Pacific Insurance and other financial institutions to jointly promote the construction of Shanghai World Financial Centre
- Investing in the institutions with solid industry backgrounds such as Summit view Capital, Silicon Harbour Capital and Oriza Seed to establish multiple sub-funds, with a focus on semiconductors, information and intelligence, healthcare and other industries that have significant national needs and social concerns, thereby guiding the investment in technological innovation and driving the industry prosperity

Serving the construction of Shanghai International Economic Center

- Entering into a strategic cooperation with Bright Food Group, Jin Jiang International Group, INESA, Shanghai Electric and SCG, etc. to facilitate the economic and social development of various districts and counties and improve and strengthen state-owned enterprises and private enterprises in Shanghai with its comprehensive financial services
- Shanghai announced the establishment of the largest urban renewal fund in China with a total size of approximately RMB80.0 billion, of which guidance fund is RMB10.002 billion. Guotai Junan Innovation Investment served as the manager of the guidance fund to make targeted investment in old district renovation and urban renewal projects, thereby facilitating the sustainable renewal and development in Shanghai

04 Serving Shanghai in strengthening "four functions"

Serving Shanghai in enhancing the function of global resource allocation

- The Vietnamese subsidiary was officially renamed to "Guotai Junan Securities (Vietnam) Co., Ltd. (國泰君安證券(越南)股份有限公司)"
- Being approved to establish Guotai Junan Futures (Singapore) Co., Ltd. (國泰君安期貨(新加坡)有限公司)
- Successfully issuing the first domestic "Yulan bond" in the securities industry

Serving Shanghai in enhancing the sourcing function of scientific and technological innovation

- As of the end of 2021, Guotai Junan Zhengyu invested in a total of 20 projects on the Sci-Tech Innovation Board and 1 project on the GEM, and assisted certain innovative high-tech enterprises to achieve pre-IPO financing

Serving Shanghai in enhancing the leading function of high-end industries

- Entering into a strategic cooperation with SIMIC Holdings to explore the new model of connecting innovative high-tech enterprises to capital market through "top scientific research institutions + incubation of science and technology industry + comprehensive services for securities firms"

Serving Shanghai in enhancing the function as an open hub portal

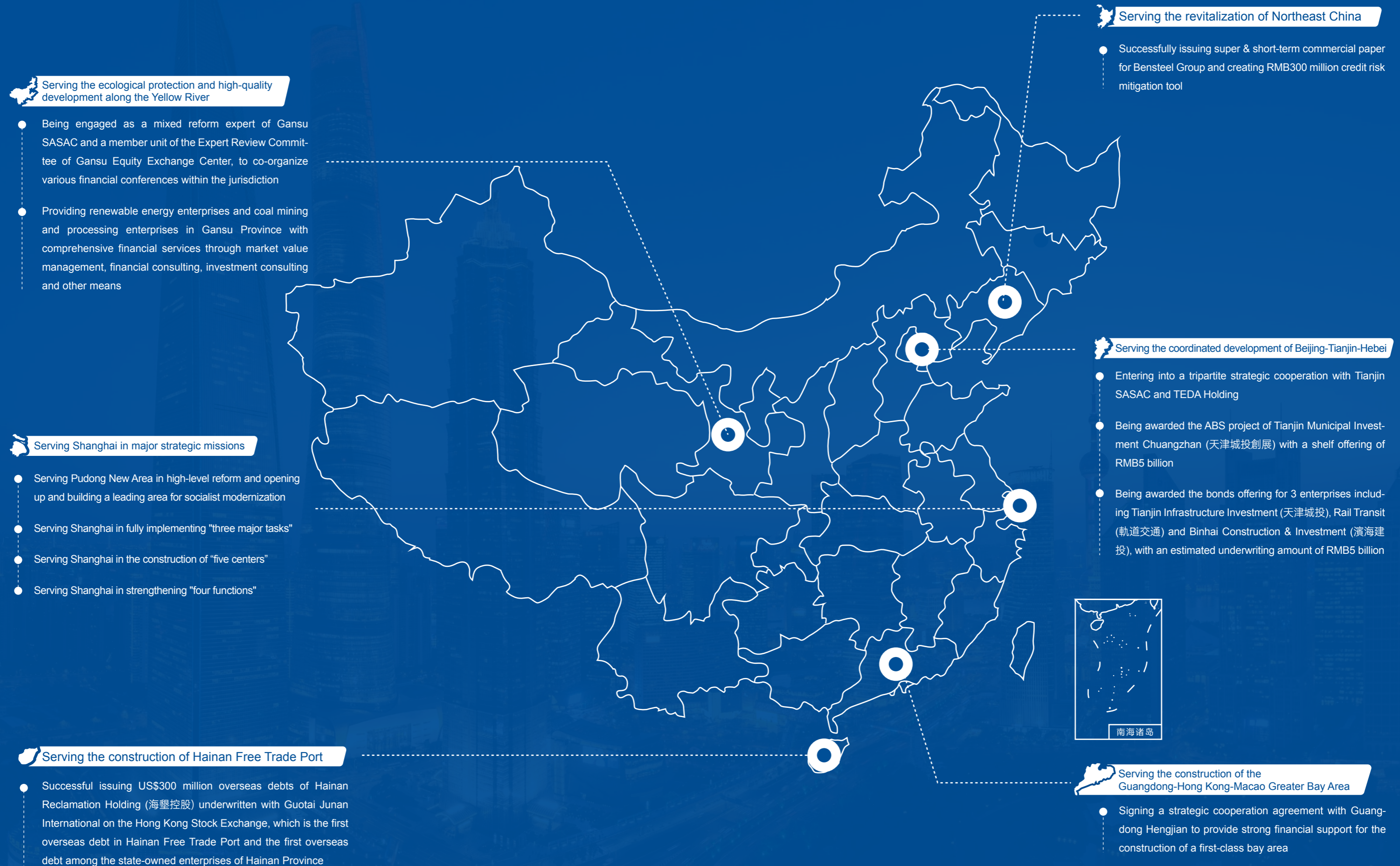
- Completing the first QFII securities refinancing lending trading in the A-share market with a world-renowned and qualified third-party overseas institutional investor, making a zero breakthrough in refinancing with qualified overseas institutional investors since the opening of China's financial market
- Assisting large overseas institutional investors to complete the first QFII margin financing and securities lending business in the A-share market

Holding the "Investment towards Common Prosperity (走向共同富裕的投資之道)" Capital Market Cloud Annual Conference

In November 2021, the "Investment towards Common Prosperity - Guotai Junan 2022 Capital Market Cloud Annual Conference" was held online, which was sponsored by Guotai Junan under the guidance of Shanghai Municipal Financial Regulatory Bureau and the People's Government of Pudong New Area. At the conference, the Company released the "Accelerated Construction of Shanghai Global Asset Management Center - International Experience and Shanghai Exploration and Research Report (《加快建設上海全球資產管理中心—國際經驗和上海探索研究報告》)" to study and formulate an action plan to promote the realization of common prosperity, and gather the wisdom of all walks of life to contribute to the realization of common prosperity, which has further demonstrated the Company's responsibilities as a state-owned financial enterprises.



Serving major national and regional strategies



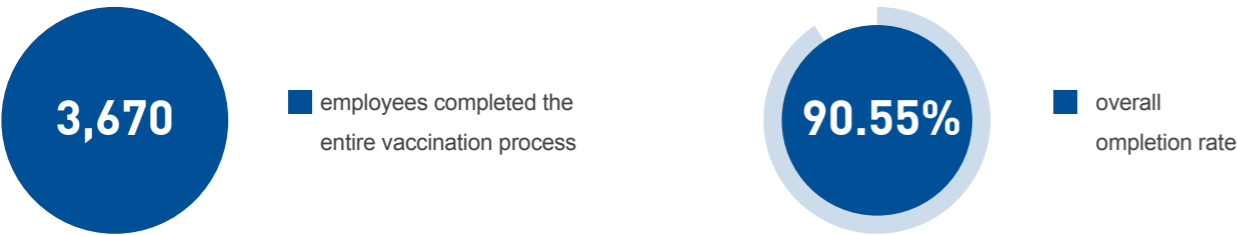
BE A DEMONSTRATOR OF CORPORATE CITIZENSHIP

The Company firmly shoulders its political responsibility in epidemic prevention and control and supports the areas suffered from extreme weather; continuously deepens ESG concepts and leverages the industry-leading comprehensive carbon finance service advantages to contribute to the fulfilment of national peak carbon dioxide emissions and carbon neutrality "3060 target".

Maintaining regular epidemic prevention and control

The Company has never slackened its efforts in regular epidemic prevention and control within the entire group, with a focus on supporting branches in areas with the epidemic such as Shaanxi, Tianjin, Inner Mongolia and Gansu by allocation of special Party membership dues to epidemic prevention and implementation of a "partner custody (夥伴託管)" scheme to undertake local operation services, striving to ensure the health and safety of its employees as well as smooth and safe client transactions.

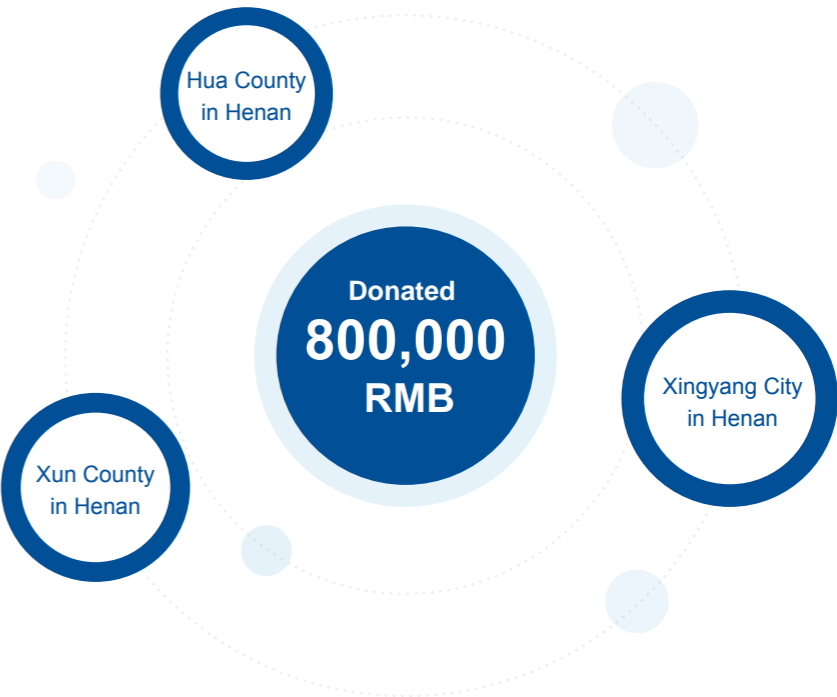
In 2021, the Company arranged the epidemic prevention and control in line with new situations and new requirements at different stages, and issued a total of 8 work guidelines. The Company mobilized its employees to be vaccinated timely, organized 8 door-to-door vaccination services and distributed anti-epidemic materials such as masks and disinfectants to employees. As of the end of 2021, among the staff based in Shanghai, 3,670 employees completed the entire vaccination process, with an overall completion rate of 90.55%.



Supporting the flood control frontline

In July 2021, Henan and other regions were stricken by heavy rains, facing arduous tasks in post-disaster reconstruction, production resumption and epidemic prevention. The Company and its various branches offered their helps to fight against the flood control frontline in the first time.

Guotai Junan Social Welfare Foundation approved special disaster relief funds to finance Henan flood and purchase urgently needed materials. In addition to proper flood control and security at operating outlets, the Henan branch devoted every effort to voluntary services by delivering its supplies on 23 and 24 July to trapped persons in two batches. On 26 July, the Shenzhen branch rapidly raised donations and entrusted the Guotai Junan Social Welfare Foundation and the labor union of the Henan branch to purchase generators, rain boots, charge pals and other supplies to help the victims in Henan. Guotai Junan Futures sent condolences to the employees of the Henan branch in the first time and donated a total of RMB800,000 to Hua County, Xun County and Xingyang City in Henan Province to help their post-disaster reconstruction.



Staff of the Party School of Henan Provincial Committee of C.P.C. (Henan Administration Institute) stranded expressed their gratitude to our volunteers



Generators and other disaster relief supplies were put into use

Publishing the Action Plan for Implementing Peak Carbon Dioxide Emissions and Carbon Neutrality

In May 2021, the Company jointly held the “Green Finance, Low-Carbon Future” forum with Shanghai United Assets and Equity Exchange and Shanghai Environment and Energy Exchange, and published the “Action Plan for Implementing Peak Carbon Dioxide Emissions and Carbon Neutrality of Guotai Junan (《國泰君安踐行碳達峰碳中和行動方案》)” at the forum, integrating the concept of green and low-carbon development into thoughts, organization and action and building a green financial service brand.

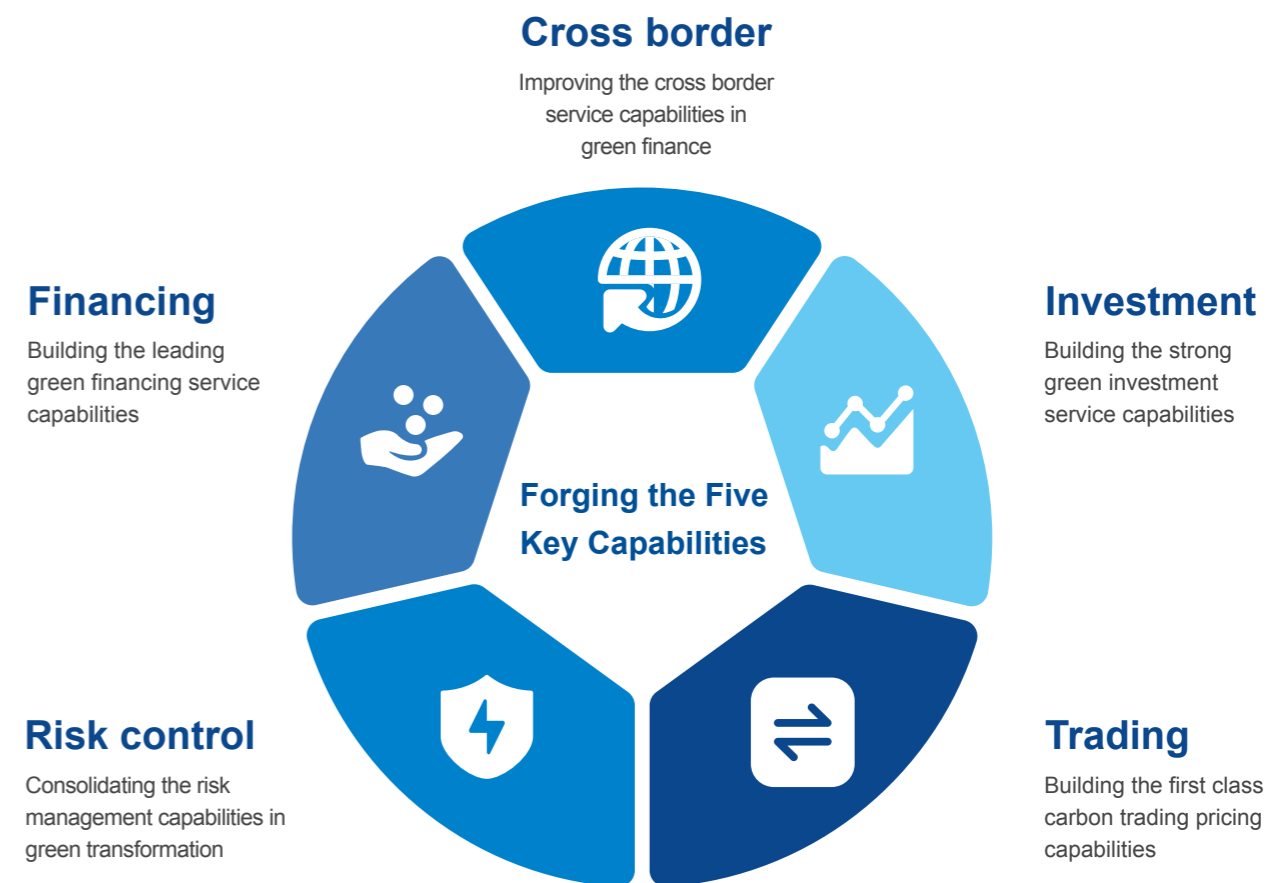
Publishing the “Action Plan for Implementing Peak Carbon Emissions and Carbon Neutrality of Guotai Junan (《國泰君安踐行碳達峰碳中和行動方案》)”

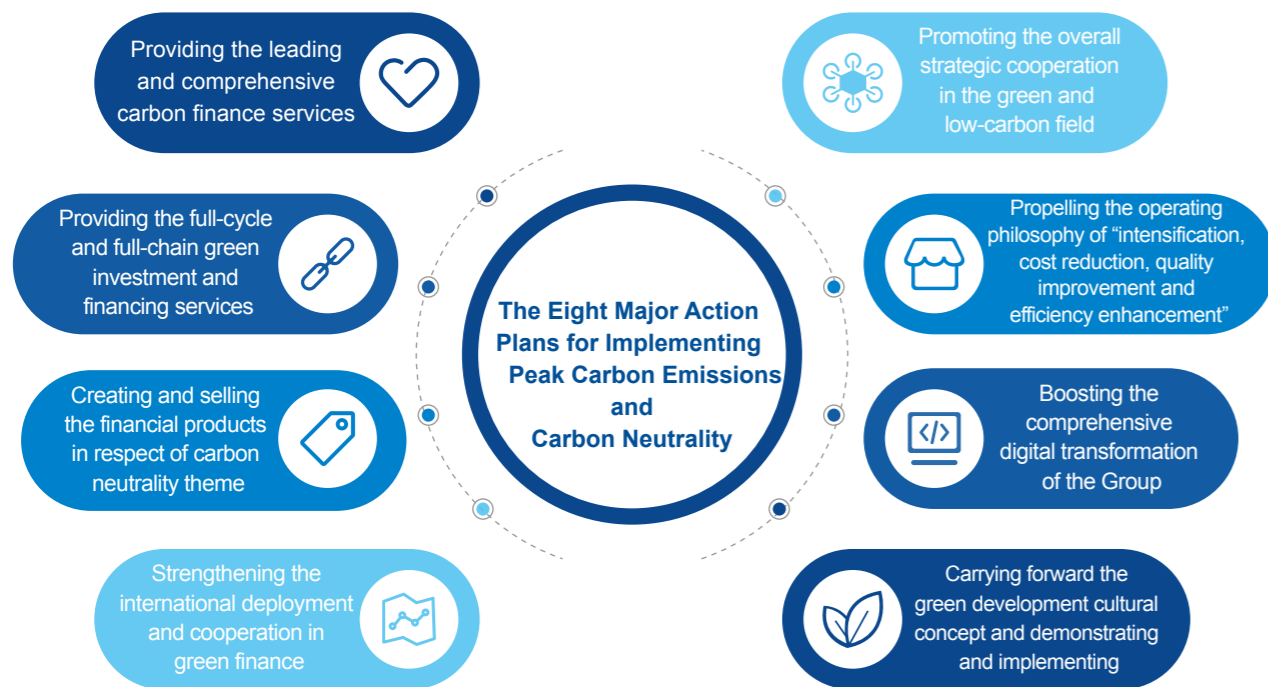
Improving the green
financial services capability

Practising the green
development concept

Devoting to the green public
welfare

Guided by the development strategy of “three three-years in three steps”, the Company will focus on forging and improving the five key capabilities of “financing, investment, trading, cross border and risk control”, and propose the eight major action plans for implementing peak carbon dioxide emissions and carbon neutrality, to fully enhance the corporate governance efficiency, improve the green and low-carbon financial services capability, while striving to achieve its own “peak carbon dioxide emissions and carbon neutrality” as soon as possible.





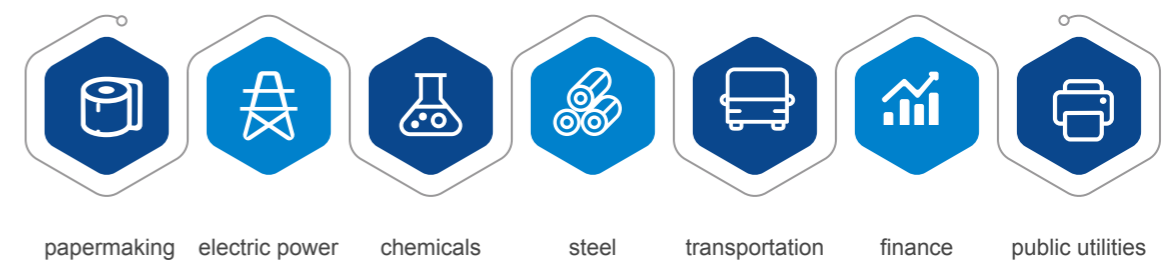
To further respond to climate change, identify and analyze the risks brought by climate change to the Company's operations and business, the Company and its subsidiaries gradually incorporate climate change risks into their comprehensive risk management, and identify the risk types relating to climate change that have substantial impact on the corporate operations and financial business, and take targeted measures for such risks that have substantial impact. In 2021, Guotai Junan International assessed the climate-related risks such as "physical risks" and "transformation risks" to be "low" risks. However, Guotai Junan International still plans to take relevant measures to improve the management level of climate-related risks, including replacing fire extinguishing agents with higher global warming potentials, planning to incorporate ESG factors into investment decision-making process, and increasing its efforts to support investment projects that comply with ESG concepts.

Improving the green financial services capability

Providing the leading and comprehensive carbon finance services

The Company has always actively served and practiced the concept of green and low-carbon development. At the beginning of 2014, it took the lead in establishing a carbon finance business team in the securities industry, and successively completed the first CCER development transaction by a securities company and the first carbon allowance forward transaction in Shanghai, with a transaction scale ranking top in various pilot regions.

To give full play to the Company's first-mover advantage and core transaction pricing capabilities in carbon finance, implement the "Action Plan for Implementing Peak Carbon Dioxide Emissions and Carbon Neutrality of Guotai Junan (《國泰君安踐行碳達峰碳中和行動方案》)" and build a comprehensive and leading carbon finance service system in the securities industry, the FICC carbon finance business of the Company continued to perform well in 2021, with a trading volume of approximately 23 million tons and a turnover of approximately RMB800 million, representing a significant increase year-on-year, which serves enterprises in papermaking, electric power, chemicals, steel, transportation, finance, public utilities and other industries.

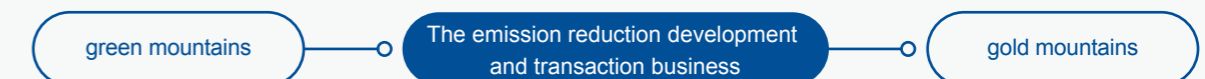


In 2021, the Company issued the first structured notes linked to carbon emission allowances in the securities industry, and linked subject is Guangdong Province Carbon Emissions Allowance (GDEA). The issuance has given full play to the serving and guiding role of financial institutions in supporting the "dual carbon" goal, and enhanced the financial attributes of the carbon market.

"Green mountains" become "gold mountains": to explore a beneficial combination of public welfare assistance and forest carbon sink development

In 2021, the Company participated in the development and transaction of approximately 2.7 billion kilometers of riding mileage generated by a shared bicycle platform within 3 years, 170,000 mu forest carbon sinks in a poverty-stricken county and other emission reduction projects. Among them, the shared bicycle project is the first shared bicycle emission reduction development and transaction business in Shanghai, and the poverty-stricken county is a paired assistance subject of the Company in response to Shanghai SASAC's call for "100 Enterprises for 100 Villages (百企結百村)".

The emission reduction development and transaction business not only drives more general public to participate in green actions and facilitates the fulfilment of carbon reduction goals, but also serves as a beneficial exploration in assisting poverty-stricken counties to turn "green mountains" into "gold mountains", as well as a key achievement of the Company in continuously promoting industrial development in poverty-stricken areas and consolidating poverty alleviation.



In 2021, Guotai Junan Futures conducted an in-depth analysis of the opportunities and challenges brought by "peak carbon dioxide emissions and carbon neutrality" to the development of the futures market, strengthened investor education and industrial research, comprehensively cooperated with power and energy enterprises, continuously promoted the innovation and development of the futures market, and actively assisted Guangzhou Futures Exchange in promoting carbon emission rights derivatives to further enhance its capabilities to serve national strategies and real economy.

Assisting clients to achieve green and low-carbon development

Guotai Junan Futures actively serves the pilot industries by improving hedging plan based on cost of carbon rights, assisting enterprises in papermaking industry to apply for dealer plant and warehouse and improve the plans for hedging and carbon rights trading, and by reference to overseas ESG governance experience, assisting enterprises to save energy and reduce emissions, helping non-ferrous metals enterprises set up ESG framework, formulate corporate goals for air pollutant emissions and solid waste management, and promote the implementation of water-saving measures, thus driving more enterprises to contribute to the achievement of national dual-carbon goal.

Providing the full-chain green investment and financing services

Guiding the flow of funds to areas that are conducive to the green transformation of real economy and reducing the financing costs for enterprises' green development are important means for financial institutions to support the advancement of dual-carbon strategy. In terms of investment, the Company increases its efforts in issuing ESG and carbon neutrality themed products and expands the investment layout in green industries. In terms of financing, the Company is deeply involved in green and low-carbon industries by providing full-cycle and full-chain green financing services, and actively serves the financing and M&A needs of backward high-carbon industries for exiting and transformation.

In 2021, the Company participated in green (including carbon neutrality), mass entrepreneurship and innovation, small and micro enterprises, rural revitalization, epidemic prevention and other themed bond investments totaling RMB1.38 billion, representing a year-on-year increase of 51%; underwrote 53 green bonds with a total issuance size of over RMB55 billion (excluding local government bonds), including 22 carbon neutrality bonds with a total issuance size of over RMB16 billion.

1.38 billion RMB

themed bond
investments totaling

51%

representing a
year-on-year increase

53

underwrote green bonds

55 billion RMB

with a total issuance
size of over

22

carbon neutrality bonds

16 billion RMB

with a total issuance size of over

Assisting in issuing the first batch of carbon neutrality corporate bonds
on the Shenzhen Stock Exchange

In March 2021, the Company, as an underwriter, facilitated the successful issuance of "2021 Public Offering of Green Corporate Bonds to Professional Investors of Zhuhai Huafa Group Co., Ltd. (珠海華發集團有限公司) (First Tranche) (Specialized for Carbon Neutrality)", the first batch of carbon neutrality corporate bonds on the Shenzhen Stock Exchange, the proceeds of which were mainly used for the construction of a green building, Zhuhai International Convention and Exhibition Center (Phase II).

Assisting in issuing the first green technology innovation bond for carbon neutrality in China

In April 2021, the "2021 Non-public Offering of the First Tranche Green Technology Innovation Corporate Bonds of Nanjing Jiangbei New District Technology Investment Group Co., Ltd. (南京江北新區科技投資集團有限公司) (Specialized for Carbon Neutrality)" with the Company as the lead underwriter was successfully issued on the Shenzhen Stock Exchange, which is the first green technology innovation bond for carbon neutrality in China and the only dual-concept special bond in the market at that time that integrates the concept of green carbon neutrality and technological innovation, the proceeds of which were mainly invested in the equity interest in innovative high-tech companies whose businesses focus on carbon emission reduction and whose products have carbon emission reduction benefits.

Facilitating the issuance of the first carbon neutral REITs

In December 2021, Guotai Junan Innovation Investment made an investment of RMB320 million in the Shanghai Luneng JW Marriott Marquis Hotel's senior asset-backed special plan (carbon neutral), which is the first hotel asset carbon neutral REITs project in the market, and its successful issuance has created a prominent demonstration effect in the market and provided a reference and standardized exit idea for the asset revitalization of green buildings.



Green building certificate

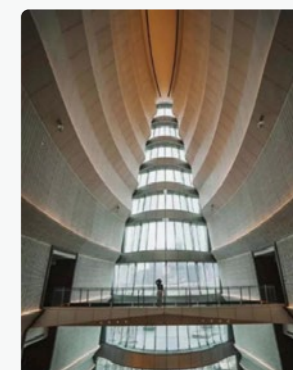


Photo of the hotel's interior

Facilitating the "First ESG company in China" to be listed on the New York Stock Exchange

In June 2021, Guotai Junan International, as one of the main underwriters, successfully assisted ATRenew Inc. with its official listing on the New York Stock Exchange and access to international capital markets. Known as "the first ESG company in China", ATRenew Inc. integrates the entire second-hand electronic product industry chain from customers to retailers to enterprises. It is one of the representative enterprises in China's environmental protection industry. This project is also an important practice of Guotai Junan International in fulfilling social responsibilities and establishing sustainable financial benchmarks through green financial services.



Since 2016, the Company has completed domestic and overseas green share and bond financing projects with a cumulative amount of over **RMB300 billion**, creating the first case for various green financial services in the industry and becoming one of the first 12 securities companies (including three Chinese securities companies) in the world satisfying Moody's ESG rating standards.

Practicing the concept of green and low-carbon development

Strengthening green and low-carbon management

The Company actively complies with the refined management requirements of "intensiveness, cost reduction, quality improvement and efficiency enhancement" and reduces operating costs, improves intensive capacity and management efficiency, complies with high-standard energy conservation requirements and reduces greenhouse gas emissions by establishing a centralized procurement platform, sorting out idle resources and strengthening data centralization.



intensiveness



cost reduction



quality improvement



efficiency enhancement

Achievement of energy consumption targets in 2021

According to statistics, the Company's total energy consumption in Shanghai in 2021 was 11,913.84 tons of standard coal, representing an increase of 8.45% over the total energy consumption in the same period of the previous year of 10,985.57 tons of standard coal (target increase of 10%), which is lower than the average increase of 13% in previous years; and based on the 6.8% increase in gross floor area and the 3.1% increase in employees in 2021, the unit decrease of energy intensity is 1.5% (target decrease is 3%).

Promoting green office initiatives

The headquarters, local branches and subsidiaries of the Company have been active in energy conservation and emission reduction through application of digital management systems and creation of green office culture to comprehensively reduce the environmental impact of their own operations.

Action dimension



Reducing paper usage



Reducing water and electricity consumption



Carrying out waste management

Specific measure

- Promoting the implementation of electronic printing, electronic attendance and electronic file
- Holding online meetings and digitizing meeting materials
- Using double-sided printing, shrink printing and waste paper recycling as much as possible
- Posting water saving signs at places where water is needed to encourage water saving behaviors
- Strengthening the daily maintenance of water equipment and checking and repairing the circuit system and pipeline valves on time so as to fundamentally eliminate waste situations such as long-running water and water leakage
- Reducing the number of electric water dispensers within a reasonable estimate and providing customers and employees with daily drinking water by purchasing and using water-saving electric water dispensers
- Turning off unnecessary electrical equipment and all non-essential electrical switches during non-working hours
- Replacing energy-saving lamps in the workplace
- Implementing garbage classification and unified recycling, classification and disposal of hazardous garbage
- Advocating employees to bring their own bowls and chopsticks to eat, reducing the use of disposable lunch boxes and reducing the amount of kitchen waste generated

According to incomplete statistics, the headquarters, local branches and subsidiaries of the Company saved 214,700 sheets of paper, 108,500 kWh of electricity and 803 tons of water resources by taking the above green and low-carbon measures in 2021.

214,700 piece

Save paper

108,500 kWh

Save electricity

803 tons

Save water resource

Promoting the construction of green data center

The Company commenced to use the first high-level self-owned data center in the securities industry in 2014. The data center was designed, constructed, inspected and accepted in accordance with international A-level server room and Uptime T4 certification standards and was granted with the Gold LEED-CI Certification of US Green Building Council (USBGC), becoming a benchmark for application of energy saving materials and low carbon and environmental protection of data centers in the securities industry.

During the construction of the Company's data center, a number of high-efficient and energy saving technologies have been used, including the use of high-density cold aisle closures in the IT room, the use of dual-channel centralized water cooling technology, the optimization and control of energy consumption in server room through waste heat recovery and intelligent lighting control technology and the use of the air-conditioning unit combining centrifugal chiller with small cooling capacity screw chiller. A series of optimization and transformation on energy consumption and efficiency were carried out according to the actual operation situation of the data center in 2021.

Optimization measures and energy saving effectiveness of the data center in 2021

Optimization measures

- Making every effort to promote the cloudification process after the old servers become obsolete every year. In 2021, the Company's cloudification ratio increased to 78.87%, realizing flexible scheduling of IT resources while reducing energy consumption;
- Replacing the old precise air conditioner and cooling tower equipment in the test room, significantly improving the cooling efficiency of server room;
- Making dynamical adjustments on energy-saving optimization through various means during the daily operation and maintenance. For example, according to the actual working conditions and ambient temperature, combining with the BA system, the temperature of the chilled water supply will be dynamically adjusted to reduce losses; when the server room load and the cooling pressure is low, it is reasonable to use the different specifications of the chiller to reduce energy consumption

Energy saving effectiveness

Preliminary estimate of electricity savings
54,000 kW-h

Continuous reduction in PUE value for three consecutive years

Participating in social welfare activities for environmental protection

The Company encourages employees to participate in social welfare activities for environmental protection and practices the concept of green life in a physical manner.

Carrying out tree planting, forest protection and other social welfare projects for environmental protection

In June 2021, Guotai Junan International launched a large-scale tree planting activity, which was led by the chairman of the board of Guotai Junan International and the chairman of the ESG Committee to plant nearly 300 saplings in Dalan Country Park, practicing the ESG concept with practical actions and contributing to protect the environment and combat climate change. In November, Guotai Junan International cooperated with Friends of the Earth to participate in the "Green Forest Carbon Reduction Day" held by it, which received positive responses from all employees.



BE A PRACTITIONER OF RURAL REVITALIZATION AND PUBLIC WELFARE

The Company is rooted in the social welfare spirit of "honesty and pragmatism and dedication to perfection" and implements the concept of "serving the country with financial services" into the requirement of "effectively connecting rural revitalization with consolidating and expanding the achievements of poverty alleviation". After all the poverty-stricken areas have been lifted out of poverty, the Company continued to carry out a series of assistance projects and solidly promoted rural revitalization with the professional platform of Guotai Junan Social welfare Foundation. At the same time, the Company actively pays attention to the needs of the communities where it operates and actively participates in social welfare actions and volunteer services.

Building a professional social welfare platform

Shanghai Guotai Junan Social Welfare Foundation was formally established in January 2012. Guided by the concept of "serving the country with financial services", the foundation adheres to the working principle of adapting to local conditions, seeking truth and being pragmatic to carry out social welfare projects in various fields. After ten years of development, the foundation has steadily advanced in the direction of professionalization and standardization, and has become an important platform for the Company to fulfill its social responsibility, injecting professional strength into the Company's social responsibility and social welfare practice.

Overview of Shanghai Guotai Junan Social Welfare Foundation

- Date of establishment:** 8 January 2012

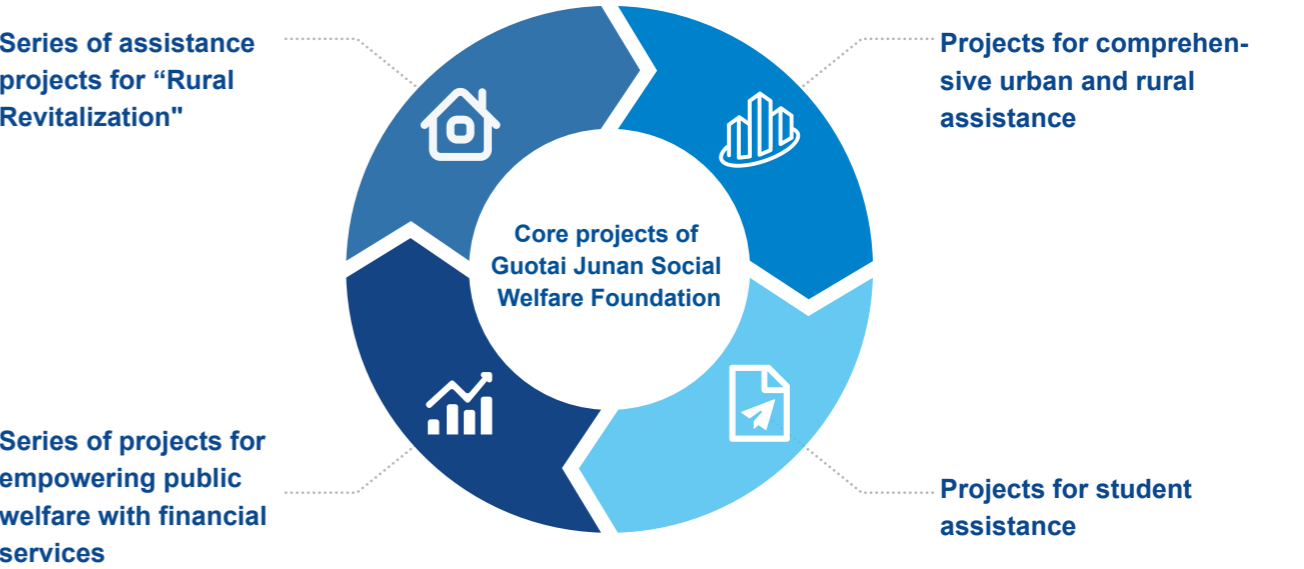
Registered capital: RMB4.5 million

Purpose: serve the construction of Shanghai into an international financial center and promote the development of a harmonious society

Scope of business: support social welfare undertakings; carry out poverty alleviation, disaster relief and disability assistance; student and teaching assistance activities; provide support for financial talent training exchanges and financial publicity research; carry out other social welfare projects

Grade: it passed the "4A-level social organization" assessment in 2016 and 2021, respectively
- Sponsor:** Guotai Junan Securities Co., Ltd.

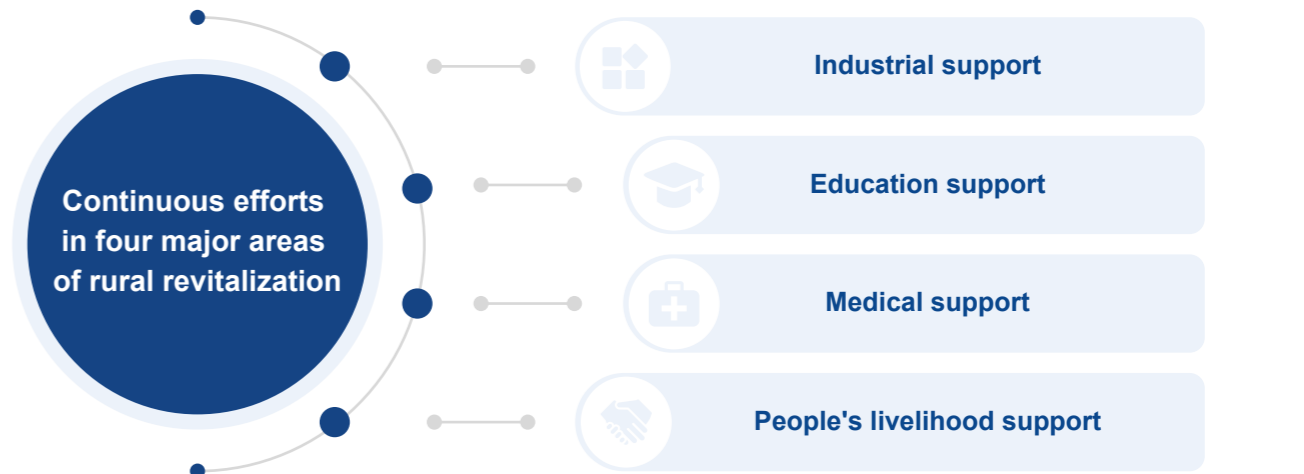
In 2021, in order to steadily advance the work of "effective connection between poverty alleviation and rural revitalization", Guotai Junan Social Welfare Foundation focused on four major sectors: rural revitalization, comprehensive urban and rural assistance, student assistance and empowering public welfare with financial services, and integrated its own public welfare and financial services to strive to serve national strategies and meet social needs with its professional public welfare solutions.



In 2021, Guotai Junan Social Welfare Foundation spent **RMB30.4194 million** in public welfare funds.

Steadily advancing comprehensive assistance

In 2021, Guotai Junan Social Welfare Foundation effectively promoted the implementation of key assistance projects in Ji'an County in Jiangxi, Puge County in Sichuan, Qianshan City in Anhui, Guangnan County and Malipo County in Yunnan. The work of "effective connection between poverty alleviation and rural revitalization" has been steadily advanced, and the economic and social conditions of each assisted area have been greatly improved.



Industrial support- industry funds facilitating local featured industries for organic growth**Date of initiation:** 2019**Amount of investment:** RMB30 million, of which RMB10 million has been contributed so far

Overview of the project: In August 2019, the foundation formally established the “Agricultural Industry Support Fund” in Puge. The fund aims to promote the development of local featured agricultural industries, provide stable job opportunities and sources of income for registered households in Puge County and help local government eliminate the weakness of poverty alleviation.

Latest status: In 2021, the Puge County Pennisetum sinense Roxb Plantation Project supported by the “Agricultural Industry Support Fund” was successfully implemented. Currently, the trial planting of the Pennisetum sinense Roxb has been completed and the construction of the processing plant covering a site area of 23 mu has been completed, which will be put into use after the Spring Festival in 2022.

**Education support- support for the construction of compulsory education schools****Date of initiation:** 2018**Amount of investment:** RMB30,218,800, of which RMB24,218,800 has been spent so far

Overview of the project: At the end of 2018, the foundation provided support for the construction of Guotai Junan Tianzhushan Town Central School in Qianshan City, Anhui Province, to help improve the educational conditions in Qianshan City and provide a better learning and growth environment for local students.

Latest status: In 2021, the foundation paid RMB12 million for the construction of the second phase of the project. So far, it has invested a total of RMB24 million, and additional RMB218,800 for payment of project supervision costs. Currently, its primary school and kindergarten have been put into use with nearly 1,000 teachers and students studying and working in the school.

According to the construction progress of the school, the foundation will pay the last construction payment of RMB6 million in 2022. After the construction of the school is completed, it will cover a site area of 50 mu with a gross floor area of about 20,000 square meters, which can accommodate more than 1,400 primary and secondary school students. It will become a compulsory education school with the latest facilities and the most understanding teachers.

**Medical support- supplementary medical insurance facilitating worry-free growth****Date of initiation:** 2021**Amount of investment:** RMB6 million including insurance premium for the first year of RMB2 million

Overview of the project: In order to help solve the problem of “returning to poverty due to illness and impoverishment due to illness”, the Company customized the “Guotai Junan Growth Worry-free” supplementary medical insurance public welfare project for four counties, covering nearly 350,000 teachers and primary school students in all four counties.

Latest status: In June 2021, the “Guotai Junan Worry-free Growth” supplementary medical insurance public welfare project (Phase 2) was officially insured, and will continue to invest RMB6 million in premiums including premium of RMB2 million for the first year to insure teachers and students in three counties for three years.

In November 2021, the “Guotai Junan Growth Worry-free” supplementary medical insurance public welfare project (Phase 2) included 1,225 children from Xinjiang, Guizhou, Sichuan and other places who had been supported by the charity team of Pudong Cadre College for a long time as insurance beneficiaries and provided them with more caring protection.

People's livelihood support-support for the beautiful rural construction**Date of initiation:** 2021**Amount of investment:** RMB 1.35 million

Overview of the project: In March 2021, Guotai Junan Social Welfare Foundation initiated a project to support Xiaohaizi Village in Guangnan County to carry out the beautiful rural construction project. The project has greatly improved the living environment in poverty-stricken areas, allowing local residents to have more hygienic and safer homes.

The Beautiful Rural Construction Project of Xiaohaizi in Jiumo Country with Assistance of Guotai Junan (Design Sketch of Phase I)



In October 2021, the “Securities Industry’s Promotion of Rural Revitalization Public Welfare Action” led by the Securities Association of China was launched in Beijing. As one of the first sponsors, the Company, together with 52 peers, participated in the public welfare action of promoting rural revitalization in the securities industry. In 2022, the Company will fulfill its commitments to consolidate the achievements of poverty alleviation and help rural revitalization by supporting education assistance, improvement of people’s livelihood and green development, and ensure that it will invest no less than RMB10 million in the five counties of Anhui Qianshan and other support counties.

In December 2021, in the 2021 Chinese Enterprise ESG Forum hosted by Finance.china.com.cn, the Company’s education support case won the **“2021 Rural Revitalization Outstanding Case”** award.

Exploring the “finance + public welfare” model

The Company fully leveraged on its advantages in comprehensive financial services to actively explore the “finance + public welfare” model and took advantage of its professional expertise to facilitate rural revitalization and promote common prosperity.



In 2021, the Company underwrote a total of **8 bonds for rural revitalization**, with a total issuance scale of **more than RMB3.3 billion**.

On 17 June

the first bond for rural revitalization in Hebei Province was issued. The project benefited the original provincial and national poverty-stricken counties including Minshe County, Guantao County, Feixiang County, Wei County, Daming County, Guangping County and Jize County.

On 27 July

the first special bond for rural revitalization in Guangdong Province was issued, and the raised funds were mainly used for related projects of the Guangdong Beautiful Rural Revitalization Development Fund and related projects of Guangdong Seed Industry Group Co., Ltd. (廣東省種業集團有限公司).

Malipo County of Yunnan Province is the Company’s counterpart assistance area. In 2017, Yang Quansheng, a native of Yangwan Town in Malipo County, contracted a plantation and planted 1,000 mu of fruit tree saplings with the support of the township government. The Company keenly discovered the possibility of carbon trading contained in the 1,000 mu of saplings and actively explored and practiced to effectively connect green finance with rural revitalization. This carbon sink emission reduction transaction can increase the income of Malipo County by nearly RMB400,000 every year. At the same time, Guotai Junan Public Welfare Foundation will also support Yang Quansheng’s team’s plantation project for a long time in the form of a charitable trust.

Guotai Junan Social Welfare Foundation will also support Yang Quansheng team’s plantation project for a long time in the form of a charitable trust.

Empowering charity and public welfare with financial innovation

In March 2021, the Company launched the “hope primary school nutrition lunch program” donation activity, advocating vast number of employees to donate to improve the nutritional quality of lunches for children in poverty-stricken areas. More than 7,000 employees of the Company actively participated in the activity and raised a total of more than RMB2.54 million. The funds raised have been successively invested in Guotai Junan’s “Nutritious Lunch Program for Hope Primary Schools”, delivering nutritious lunches such as eggs, milk and snacks to more than 1,300 students in four schools including Jiangxi Guotai Junan Xiaokeng Hope Primary School, Gansu Guotai Junan Weiyuan Hope Primary School, Yunnan Guotai Junan Dandan Hope Primary School, Yunnan Yanshan Town Central Primary School and Anhui Guotai Junan Tianzhushan Town Central Primary School.

With the efficient and collaborative efforts of multiple parties, the Company has established the “Shangshan” series of Guotai Junan Hope Primary School Nutritious Lunch Charitable Trust, which is the first charitable trust in China to help hope primary schools in underdeveloped areas to improve their lunch nutrition for a long time. The scale of the trust assets is RMB300,000 and the term of the project is 5 years. It provides supplementary meals for the lunch of many hope primary schools in the central and western regions and underdeveloped areas.



Actively engaging in volunteer services

Guided by the concept of “serving the country with financial services”, the branches of the Company actively implemented the working principle of “adapting measures to local conditions and seeking truth and being pragmatic” to get an in-depth understanding of the assistance needs of local governments and communities and convey financial warmth and give back to the society with public welfare actions through various ways including donation of money and materials, provision of consumption support and volunteer services.



Volunteers from Guizhou branch conducted interactive activities with local left-behind youths



Yunnan branch donated materials such as learning and daily necessities to Guotai Junan Dandan Hope Primary School



Volunteers from Hainan branch participated in the Dream Classroom charity project of Chenkao Primary School of Chenkao Village supported by the Hainan bureau of the China Securities Regulatory Committee



Huainan office of Anhui Branch and the railway community jointly carried out civilization construction and renovation



All employees of Nanjing Lishuizhong Street branch carried out the activity of “GTJA (Lishui) Entering the Community and Caring on Winter Solstice”, and entered the Longshan community to express condolences to 20 poverty-stricken persons



Shanghai branch signed a three-year donation agreement with each of Fudan University, Shanghai Jiao Tong University and Tongji University

CUSTOMER FIRST AND DEDICATED SERVICES

BACKGROUND FOR DUTY FULFILMENT

The Company always adheres to customer-centricity and regards serving the high-quality development of the real economy and meeting the growing wealth management needs of the people as the fundamental pursuit of sustainable development. In line with the requirements of industry innovation, transformation and development, we continued to strengthen the concept of collaborative value creation, continuously optimized organizational structure, system and business model and enhanced our comprehensive service capabilities for different customers.

HIGHLIGHTS FOR DUTY FULFILMENT IN 2021

The investment in information technology amounting to **RMB 1.435 billion** and the financial technology talent team having **more than 450 members**

Facilitating **13** companies successfully listed on the Science and Technology Innovation Board, with an underwriting amount of **RMB 15.183 billion**

Underwriting **15** science and technology innovation bonds with scale of issuance of nearly **RMB 6.8 billion**

Conducting a total of **3,258** investor education-themed activities, covering more than **874,400** investors

Guotai Junan Junhong APP winning various awards such as **Top Ten Apps of the Year** and **Most Favorite Apps by Users**

MATERIAL TOPICS ADDRESSED IN THIS CHAPTER

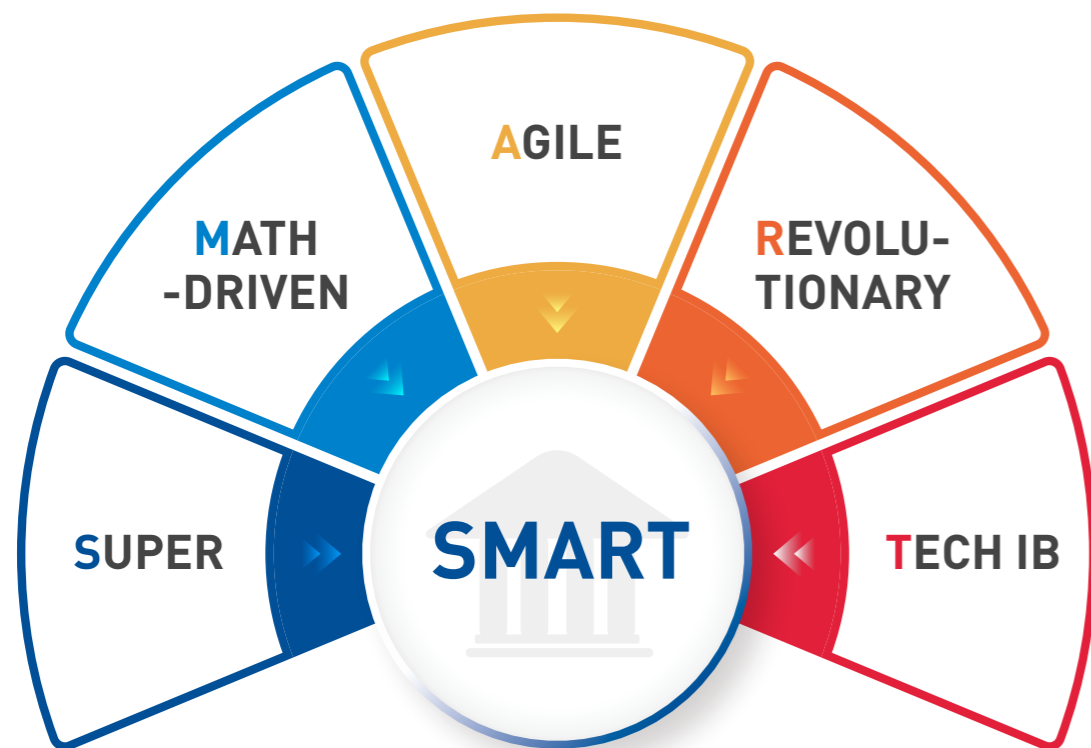
- | | | |
|---------------------------|------------------------------------|----------------------|
| ☑ Digital Transformation | ☑ Protection of Customer interests | ☑ Investor Education |
| ☑ Business Innovation and | ☑ Serving technological Innovation | |

BE A LEADER IN DIGITAL TRANSFORMATION

The Company is committed to being a “leader” in digital transformation by promoting the construction of “SMART Investment Bank” in the whole group, in all fields and in all directions, accelerating the transformation of traditional information technology foundation into comprehensive digital operation capabilities, enhancing the informatization and digitalization of operation and management, fully improving customer service capabilities and providing customers with more convenient, faster, safer and more user-friendly digital service experience.

The first in the industry to propose the vision of “SMART IB”

The Company adheres to the concept of “digitalization of everyone and digitalization everywhere” and has identified comprehensive digital transformation as the number one project of comprehensive reform. In 2021, the Company was the first in the industry to clearly propose the digital transformation vision of building a “SMART IB”, focused on the four dimensions of “growth, efficiency, experience and safety”, promoted the realization of a comprehensive digital transformation of concepts, organizations and behaviors of all units and all employees and accelerated the transformation of data advantages into resource advantages, synergy advantages and innovation advantages.



Building a “SMART IB” to promote comprehensive digital transformation

On 4 December, at the opening ceremony of the 3rd Shanghai Fin-tech International Forum-First Yangtze River Delta Fin-tech Conference, the Company held a comprehensive digital transformation vision release ceremony-2021 Transformation Achievement Release Ceremony.

Under the guidance of the strategic concept of “three three-years and three steps (三個三年三步走)”, the Company has clearly and systematically proposed the comprehensive digital transformation vision of building a “SMART Investment Bank” for the first time in the industry, and is committed to building the Company into a SUPER, MATH-DRIVEN, AGILE and REVOLUTIONARY TECH IB, to lead and drive high-quality development of the Company with comprehensive digital transformation.



Making the “planning map” of digital transformation become a “real map”

In 2021, the Company’s digital transformation was accelerated in an all-round way, the “Comprehensive Digital Transformation Plan (《全面數位化轉型規劃方案》)” was formulated and released and a digital transformation office and a data platform operation department were set up, the working mechanism requirements were further specified, key digital transformation projects were accelerated and research and application including information technology application and innovation, low-latency trading and block-chain technology were continuously carried out in an effort to promote the “planning map” of digital transformation to gradually become a “real map”.

Three key achievements of digital transformation in 2021



Upgrading the integrated financial service platform

- ◆ Relying on financial technology and deep integration with the OTC financial cloud to launch the new version of Guotai Junan Daohe APP 5.0;
- ◆ Providing all types of institutional clients with online services along the entire business chain across asset classes and promoting the reshaping of a new ecosystem of integrated institutional client services.



Launching a new generation of core trading system

- ◆ Being the first to carry out research on distributed, low-latency and localized technologies and fully completing the research and development and construction of a new generation of core trading systems as well as switching of and centralized clearing and low-latency margin financing and securities lending;
- ◆ The decoupling of trading, accounts and clearing with key indicators such as trading speed, position opening delay and throughput being ahead of the market for 2-3 years, setting a new benchmark for independent innovation in the industry.



Creating a digital workplace

- ◆ Building multiple scenarios of employee workplaces, branch workplaces and management workplaces to support custom business nodes and empower employees to carry out business in a mobile manner and easily grasp customer trends;
- ◆ Integrating thousands of data and multi-dimensional quantitative indicators to provide managers at all levels with one-stop service for assessment, analysis and decision-making.



Jun Hong App launched “care model” to help elderly customers bridge the “digital gap”

In order to “enable customers do one thing efficiently” and effectively enhance the sense of acquisition and happiness of investors, Jun Hong APP focused on the four core tasks of “unified entrance, one-stop processing, on-demand customization and smart community (統一入口、一站辦理、按需定制、智慧社區)” and launched the “One-stop Service (一網通辦)” module. In addition to solving customer pain points, Jun Hong APP launched self-customization functions to meet customers’ personalized needs and continued to improve the efficiency, radius and accuracy of customer service.

As the “digital gap” problem of elderly customers’ complex interaction with application software and the difficulty in adapting font sizes has become increasingly prominent, Jun Hong APP launched the “Care Mode (關懷模式)” in 2021, which, by simplifying operations, enlarging font sizes and optimizing processes, solved the problem of the elderly using intelligent technology, and added SMS and password double verification functions when handling transactions such as authorization and funds to help the elderly adapt to the digital and intelligent era and enjoy more convenient and secure comprehensive financial services.

Creating a new generation of integrated system for fundraising, investment, management and withdrawal to accelerate digital transformation

In 2021, in order to accelerate the comprehensive digital transformation, Guotai Junan Innovation Investment launched the newly created “New Generation of Integrated System for Fundraising, Investment, Management and Withdrawal”. With the empowerment of digital technologies such as big data, artificial intelligence and cloud computing, the new system integrates innovative thinking into investment thinking, drives the development of equity investment business with data analysis and provides an integrated support platform for the Company’s fundraising, investment, management and withdrawal (fund raising, fund investment and financing, post-investment management and capital withdrawal) business, realizing “dynamic information flow”, “business management collaboration”, “industry investment and research integration”, “data risk control intelligence” and “massive information empowerment”.

Accelerating the implementation of the concept of “open securities”

Under the trend of “digital transformation” in the industry, the Company proposes the concept of “open securities”, which aims to break the thinking boundary of digital transformation and lead and promote the digital transformation of the industry with open thinking, business and technology.

In 2021, the Company actively deployed cutting-edge scientific and technological research and completed the construction of a joint innovation laboratory for financial technology that integrates research, communication, office, display and other functions; and established strategic cooperation with more than 10 enterprises and institutions to promote joint scientific and technological innovation.

Exploring to establish a cross-industry Fin-tech laboratory to
create a diverse Fin-tech innovation ecosystem

In April 2021, Guotai Junan Asset Management and Bloom-berg initiated a cooperation project on the Guotai Junan Asset Management Fin-tech Laboratory in which Bloom-berg will provide data and technical support to help Guotai Junan Asset Management in its comprehensive digital transformation.

Under the background of expanding into the mutual funds business, Guotai Junan Asset Management, as the first local financial institution in China to deploy Bloom-berg's Data License Plus solution, will start from the Bloom-berg's enterprise-level supply chain data solution and build a Fin-tech laboratory to further promote the layout of intelligent investment and research, improve the research depth and breadth of industries and companies and strengthen the factor mining of quantitative investment so as to accelerate the promotion of Fin-tech strategy and comprehensively enhance investment and research capabilities.

Investment in and results of digital transformation

In order to ensure the proper implementation of digital transformation and promote the timely response and mutual promotion between Fin-tech and business, the Company continued to make efforts in Fin-tech capital investment and continuously optimized the talent structure to form a Fin-tech talent pool consisting of basic R&D talents, professional talents, core talents and senior experts, striving to build a new highland for digital talents.

Information technology investment of
RMB1.435 billion

Fin-tech talent team of
more than 450 persons

Industry-leading
information technology application and
innovation in the industry

Ranking 2nd in the
Shanghai SASAC system
in term of the level of informatization
for four consecutive years

19 new patents, **4**
of which have been authorized

The Junhong APP project winning the
2nd prize
of securities & futures
science and technology award

BEING A GOOD DEFENDER OF CUSTOMERS'
RIGHTS AND INTERESTS

The Company has always adhered to being customer-oriented to provide customers with all-round and full life-cycle integrated services, and protect customer rights and interests by effectively handling customer complaints, protecting customer privacy and carrying out investor education, thereby managing to defend customers' rights and interests.

Providing quality customer service

The Company continued to promote the development of wealth management system and core capabilities, and constantly improved the focus on four elements of "customers, products, teams and channels", providing customers with high-quality financial products and solid investment consultant service capabilities to satisfy customers' increasingly demands for diversified investment and wealth management, help customers acquire stable and definite wealth growth, and enhance customers' sense of gain and satisfaction.

In 2021, the Company upgraded its customer service platform Guotai Junan Jun Hong APP to the new version 9.5, and built a 24/7 smart investment consultant business system with Jun Hong Smart Investment (君弘智投) as its core to provide customers with end-to-end journey-based and intelligent wealth management services, covering top three core contents, namely "smart information, smart wealth management, and smart transaction", and effectively covered a large number of long-tail customers, so as to promote the high-quality development of wealth management transformation, and create an open digital wealth management ecosystem.



The Company was awarded the
"Best Wealth Management Practice Broker"
and **"Best Investment Consultant Team"** by New Fortune

Guotai Junan Jun Hong APP won many awards such as
"Top Ten Apps of the Year", **"Most Favourite Apps Among Users"**
and **"Best Wealth Management Platform APP"**



The Company has established a customer satisfaction survey mechanism to conduct multi-channel and multi-form surveys on customer satisfaction and has timely made improvements and enhancements in response to customer suggestions and complaints to improve customer satisfaction.

Conducting customer satisfaction surveys

In March 2021, the Company conducted a special satisfaction survey on the on-site service of the sales department with the construction of intelligent outlets and customer on-site service experience as the breakthrough point, and the customers who handled business with the remote Virtual Teller Machine (VTM) of the sales department as the research objects.

A total of 7,836 samples were sent out in this survey, and 3,972 valid questionnaires were collected. 86% of the customers who participated in this survey expressed satisfaction or relative satisfaction. The overall satisfaction core of the sales department was 93.29 points, and net recommendation as an indicator to measure customer loyalty reached 59%.

The Company attached great importance to customer appropriateness management and the work of "Knowing Your Customer". In accordance with the "Administrative Measures for the Appropriateness of Securities and Futures Investors" (《证券期货投资者适当性管理办法》) and the "Implementation Guidelines for the Appropriateness Management of Investors in Securities Institutions (Trial)" (《证券经营机构投资者适当性管理实施指引（试行）》), and other regulations, the Company formulated the "Administrative Measures for the Investor Appropriateness of Guotai Junan Securities Co. Ltd." (《国泰君安证券股份有限公司投资者适当性管理办法》), which clearly regulated the work requirements for investor classification, risk tolerance assessment and classification of common investors, understanding of investor information scope, and information acquisition channels, etc., and improved customer information notification, risk disclosure related work to effectively protect the rights and interests of customers.

Appropriateness Management Requirements For Common Investors

A customer who is a common investor is required to reassess the appropriateness risk tolerance ability every two years. The system shall continuously track the updates and changes of the customer appropriateness information, and dynamically manage and control appropriateness matching;

The system shall automatically trigger a reminder of reassessment for the customer whose risk assessment result is about to reach two years ;

For the customer whose risk assessment has expired, it is ensured that he cannot apply for new business authority or purchase a product until his basic information of appropriateness is reassessed and improved through system control;

For the customer whose risk assessments is adjusted or changed, the system shall match the appropriateness according to his latest assessment result when he applies for a new business authority or purchases a product .

According to the regulations, the Company shall regularly carry out self-examination of appropriateness every six months, and implement measures to rectify the problems identified on a timely basis. At the same time, the Company shall conduct appropriateness training on new business and product sales business of various branches from time to time, in order to enhance the appropriateness management awareness of business personnel, and urge them to be familiar with various administrative regulations and procedures.

Protecting information security and customer privacy

The Company attaches great importance to information security construction and customer privacy protection. In accordance with the "Internet Security Law of the People's Republic of China" (《中华人民共和国网络安全法》), "Data Security Law of the People's Republic of China" (《中华人民共和国网络安全法》), "Personal Information Protection Law of the People's Republic of China" (《中华人民共和国个人信息保护法》) and other laws and regulations, the Company formulated and released the "Administrative Measures for Network Security of Guotai Junan Securities Co., Ltd." (《国泰君安证券股份有限公司网络安全管理办法》) and other systems in 2021 to clarify the main goals, basic requirements, work tasks, and protective measures of the Company's network security, aiming to strengthen and standardize the Company's network security management and protect the Company's information systems and data security.

In 2021, it was confirmed that the Company had no major information security and customer privacy breaches.

Main tasks of information security
and customer privacy protection in 2021

Building
network
security
situational
awareness
ability

- ◆ Completing the construction of network security monitoring center with network security log and event management, network anomaly detection, threat intelligence utilization, correlation analysis, event handling and other security capabilities, and mastering the Company's entire network security status in an all-round way to respond to network security threats
- ◆ Introducing a deception defense system, deepening email security protection, exploring the application of security automation and orchestration, machine learning and artificial intelligence in the security field, and completing the construction of the first phase of the situational awareness system

Reinforcing
network
security
construction
and
transaction
security

- ◆ Establishing a security operation center to build comprehensive protection capabilities based on active defense, innovative technologies, expert analysis and in-depth threat intelligence in internal and external networks and multiple regions to prevent unknown attacks
- ◆ Reinforcing the security guarantee management before, during and after the transaction: through key system security measures, on-duty manager system and other measures, strengthening the pre-service guarantee capability; interacting with relevant business entities in a timely manner to strengthen coordinated emergency response during the service; timely detecting hidden dangers and implementing rectification measures through event review and analysis, customer complaint analysis and other measures to strengthen post-service support capabilities
- ◆ Continuing to promote the construction of information technology operation and maintenance management system, strictly implementing ISO20000, ISO27001 and other process management system requirements, and passing ISO22301 management system certification to become the first batch of enterprises in the industry to pass the CO2+ standard, the highest level of DevOps under the R&D and operation of China Institute of information and Communication

Strengthening
customer
privacy
protection

- ◆ Jun Hong APP, the main customer service platform, timely updated the privacy policy content, launched many functions such as account logout, browse-only mode in the case of disagreement with the privacy policy, and a switch to turn off personalized recommendation, etc., to fully protect the user's right to know and self-management right of personal information
- ◆ Jun Hong APP improved the security protection capability in the process of communication with the background service on an on-going basis, ensuring the customer's identity authentication security and transaction security
- ◆ The Company formulated the enterprise standard of "Technical Standards for Personal Information Protection in Securities APPs"(《证券APP个人信息保护技术标准》) to guide the construction of security and compliance of personal information protection in the development of the Company's mobile APP
- ◆ The Company started the construction of a mobile Internet application security platform to be initially equipped with security capabilities such as customer security and reinforcement, personal information protection in the APPs, and password application security for mobile trading system .



Key achievements in information security and customer privacy protection in 2021

★

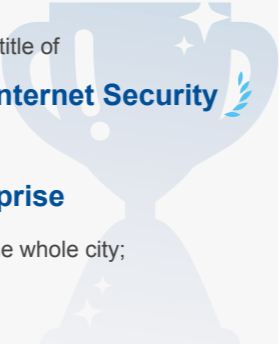
The Company was awarded the title of

2021 Shanghai Advanced Unit for Internet Security

and was

The only financial enterprise

among the 15 award-winning units in the whole city;

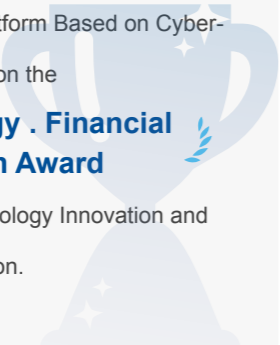


★

The Company's "Intelligent Security Defense Platform Based on Cyber-space Actual Combat" project won the

2021 China Financial Technology . Financial Institution Best Application Award

in the 2nd Yangtze River Delta Financial Technology Innovation and Application Global Competition.



In order to improve the information security and customer privacy protection awareness of all employees, the Company regularly systematized and standardized information security training through online training, phishing email tests, and on-site case experience activities in close combination with actual work to improve the level of information security protection in the daily office and business development process of employees.



Information Security Training Results in 2021

Carrying out 2 trainings on online information security

including "information security awareness trainings" for employees at the headquarter and branches of the Company, and "network security knowledge series trainings" for all employees of the Group.



Conducting two phishing email tests

and publicizing "anti-phishing attack" knowledge for all staff of the Group.



Carrying out information security on-site case experience activities

to help employees actually feel the principle, process, harm and avoidance of network security attacks through "hidden cameras", "active WIFI phishing", "mobile power bank attacks" and other cases, and deepen the awareness of information security risks and prevention skills.



In-depth investor education

The Company took 1 national-level investor education base and 7 provincial-level investor education bases as its service frontiers and gave full play to the important window role of investor education bases to deploy investor education matrix in an all-round way. Through a combination of online and offline methods, the Company produced and promoted original investor education works to improve the effectiveness of investor education work in an all-round way, and create a quality investor education brand.

Organizing investor education theme activities

By taking full advantage of the investor education base platform, the Company organized investor education lectures of "Offering Investor Education to 100 universities(投资者教育进百校)", special events of "3.15 Investor Protection Promotion Month(3.15投资者保护宣传月)", the recording of the special program entitled "Understanding Finance Immediately (《秒懂金融》)", investor protection red propaganda troupe of "Retracing the Centennial Road and Red Action on Investor Education (重走百年路、投教红色行)", and other forms of financial knowledge publicity and education and investor education activities through multiple online and offline channels to constantly improve investors' awareness of risk prevention.

In 2021, the Company carried out a total of 3,258 investor education theme activities, covering more than 874,400 investors.



Actively promoting the incorporation of investor education into the national education system

The Company actively responded to "Offering Investor Education to 100 Universities" and "One Meeting, One Bureau, One Division, One School" initiative initiated by the Securities Association of China, and constantly explored new models for incorporating investor education into the national education system. The Company carried out investor education activities such as investor education lectures in cooperation with Advanced Institute of Finance of Shanghai Jiaotong University, Shanghai University of Finance and Economics and other universities to promote the financial literacy education such as anti-money laundering, combating illegal fundraising, and securities and futures investment. In 2021, the Company held 22 investor education lectures in collaboration with various colleges and universities.

The Company actively promoted teenager financial quotient education by publishing the "Teenager Financial Quotient Development Handbook" in conjunction with the Huizhi Platform, completing 12 series of teenager financial quotient education courses development and coursewares recording, and producing course animations, offline board games and game chess, etc. In 2021, the Company organized a team of lecturers to teach teenager financial quotient courses on a pilot basis in 12 primary and secondary schools of Shanghai, so as to cultivate the financial quotient literacy of primary and secondary school students.



Creating original investor education works to help investor education

The Company's investor education bases designed and produced diversified investor education products for different audience groups that were easy to understand and entertaining such as original videos, animations, long figures, H5 and online games on macro policies and market hotspots, in combination with innovative business and big data analysis, to help investors understand professional investment knowledge and the risk-return characteristics of investment products.

At the same time, the Company made full use of new media platform channels to promote investor education works and improve the coverage of investor education works. Guotai Junan Securities investor education base aired on Mango TV, Xinhuanet and other Internet platforms, and formed an all-round investor education publicity matrix consisting of the investor education base website, WeChat official account, Tiktok(抖音) account, WeChat video account, the Company's official website, and Jun Hong APP, etc.



Honorary Awards received by Guotai Junan Securities investor education Base in 2021

Rating as "Excellent" by the CSRC for 2020-2021

Excellent (Rating as "Excellent" for the third consecutive year)

The work entitled "Investors Riding the Wind and Waves" won the

Top Ten Popular Investor Education Works Among Investors

issued by the CSRC

Winning more than 10 awards including

Best Organization Award

Excellent Work Award

GEM Theme Award

New Securities Law Theme Award

Best Work Award

NEEQ Theme Award

Original Editing Award

in the solicitation and selection activities of 2021 China (Shanghai) Securities and Futures Investor Education Excellent Works jointly organized by Shanghai Securities Regulatory Bureau, Shanghai Investment Insurance Alliance, Shanghai Securities Association, Shanghai Asset Management Association, Shanghai Futures Association, the Listed Companies Association of Shanghai, and Xinhua Finance

Winning

2021 Junding Award for Investor Education Team in China Securities Industry

in the selection of "China Securities Industry Junding Award" organized by the Securities Times and Brokers China in 2021

Winning the

First Prize of the Theme Meritorious Contest Collective Award

First Prize of the Special Meritorious Contest Collective Award

organized by the Shanghai Financial Work Committee and the Communist Youth League Shanghai Financial Work Committee

Winning the

Special Award for Investment Service Achievement

Best Investigation Organization Award

by the Shenzhen Stock Exchange

Excellent Organization Award for Red Action on Investor Education



"Best Organization Award" trophy



"2021 Junding Award for Investor Education Team in China Securities Industry" trophy



"Best Work Award" trophy



"Outstanding Organization Award for Red Action on Investor Education" medal by the Shenzhen Stock Exchange

BEING A GOOD PRACTITIONER IN BUSINESS INNOVATION

The Company always adhered to serving the real economy as the essence of its high-quality development, continuously improved its business innovation capabilities for serving the real economy, provided higher-quality and more accurate financial services for various customers, and strove to be a good "practitioner" in business innovation.

The Company attached great importance to innovation in the overall high-quality development, established a mechanism to encourage innovation and fault tolerance and correction, and strove to promote the innovation and development of various businesses, creating several "firsts" and "the first transaction" in the industry.

Successfully offering the first "Yulan Bond" in the securities industry

In November 2021, the Company successfully completed the overseas issuance of "Yulan Bonds" of US\$300 million, which was the first transaction in the securities industry since the Shanghai Clearing House and the European Clearing Bank announced the launch of the "Yulan Bond" business in December last year, and the second transaction in the market.

The successful offering of the "Yulan Bond" was another successful exploration of the Company in the field of financial innovation, which helped the Company's overseas business development, further enhanced the global financial resource allocation level and financial innovation function of Shanghai as an international financial center, strengthened Shanghai's financial opening-up hub, and played a leading role in driving financial innovation and development in the Yangtze River Delta region, and marked the entry of a new stage in the overseas bond issuance model of Chinese-funded institutions.

上海清算所与欧清银行联袂支持
热烈庆祝国泰君安成功发行证券业首单
“玉兰债”

发行日期	发行评级	发行年期	发行规模	最终收益率	票面利率
2021年11月24日	BBB+(标普)	3年	3亿美元	T+75bps	1.60%

发行人

担保机构

登记机构

清算机构

交割行

国泰君安控股

国泰君安证券

上海清算所

欧洲清算银行

国泰君安国际

"Firsts" and "the first business" in the industry in 2021

First launching 7*24 hours online service of Beijing Stock Exchange trading authority on Jun Hong APP and Fuyi service platform	
Underwriting the first corporate bond for Yangtze River Delta integrated construction in China	Offering the first pure trademark license fee ABS in China
Underwriting the first non-public special corporate bond for green rural revitalization	Offering the first ABS in the enterprise-level travel field on the Shanghai Stock Exchange
Underwriting the first batch of debt financing instruments for the revitalization and development of old revolutionary base areas in China	Offering the first ABS for integrated leasing of the Yangtze River Delta in China
Offering the first technology innovation corporate bond in the market	Offering the first "carbon-neutral" ABS for financing leasing in China
Underwriting the first carbon-neutral green technology innovation bond in China	Offering the first ABS for green personal auto mortgage loan in China
Offering the first technology innovation bond for private enterprises in China	Offering the first carbon emission quota-linked income certificate in the market
Offering the first non-public technology innovation bond on the Shenzhen Stock Exchange	Completing the first insurance asset management refinancing transaction in China
Offering the first batch of carbon-neutral corporate bonds on the Shenzhen Stock Exchange	Completing the first H-share full -circulation foreign exchange settlement and sale business in the industry
Offering the first energy supply guarantee corporate bond in China	Completing the first CDS index transaction in China
Offering the first "Yulan Bond" in the securities industry	Completing the first FDR interest rate option transaction in the market
Offering the first overseas bond for Hainan Free Trade Port	Releasing the first cloud-based FICC derivatives-to-customer trading platform in the market
Offering Guotai Junan's Zhangjiang Guangda Park Public Offering REITs project, one of the first approved public offering REITs projects in China and also the first public offering REITs project in Shanghai	Becoming the first batch of institutions in the market to pass the acceptance inspection of the new version of the direct interface of the central settlement
Offering the first infrastructure-linked REITs price income certificate in the market	Becoming the first batch of securities companies in the industry to obtain the pilot qualification for account management function optimization

Successfully completing the first OTC derivatives transaction with the bonds under the custody of Shanghai Clearing House as performance guarantees

In November 2021, the products managed by the Company and Mingyi Private Equity Fund Management Co., Ltd. used the bonds under the custody of Shanghai Clearing House as performance guarantees in bilaterally cleared credit default swap (CDS) index transactions. For this transaction, the bonds under the custody of Shanghai Clearing House were first used as the performance guarantee in the over-the-counter derivatives transaction under bilateral clearing in the Chinese market, and the bonds were also first introduced as the performance guarantees in the credit derivatives transaction in the Chinese market.

The Company launched the hedging business in 2018, aiming to provide customers with comprehensive risk management solutions of multiple asset classes, and assist customers in effectively managing risks in uncertain markets through transactions, products and services, etc. Using bonds for the first time as performance guarantees in bilaterally cleared derivatives transactions further strengthened the ability of Guotai Junan's hedging business to provide comprehensive services to customers, and was also one of the major breakthroughs in the Company's continuous exploration of new paths to serve the real economy.



One of the first batch in the industry to obtain the pilot qualification for optimizing the account management function of securities companies



In December 2021, leveraging the professional and leading account system architecture design and excellent comprehensive service capabilities, the Company obtained the pilot qualification for optimizing the account management function of securities companies upon the approval of the CSRC.

After that, the Company took the lead in the industry to provide customers with innovative services of inward transfer of funds by relying on the existing "Jun Hong One Account" account system, allowing customers to freely transfer funds in multiple accounts opened in Guotai Junan, improving the efficiency of fund transfer between the accounts under the same name and providing convenience for customers' real-time transaction needs, thereby realizing "Jun Hong One Account, Fund Household Account(君弘一户通, 资金户户通)" in one step.

BEING A GOOD PARTNER OF TECHNOLOGY INNOVATION

The Company promoted the transformation and upgrading of the real economy through business innovation breakthroughs, and put support for scientific and technological innovation in priority to provide all-around and professional comprehensive financial services to high-quality science and technology enterprises by assisting enterprises to be listed on the Science and Technology Innovation Board, issuing and underwriting technology innovation bonds, to meet corporate financing needs and create value for customers



Successfully assisting Times Electric to be listed on the Science and Technology Innovation Board

Zhuzhou CRRC Times Electric Co., Ltd. (hereinafter referred to as "Times Electric") is a core system supplier with the strongest comprehensive strength and the most complete product pedigree, a core high-end equipment enterprise that fully participates in international competition and supports China's high-speed rail "going out" strategy, and is a representative enterprise of "the most important weapon of China".

In September 2021, the Company, as the co-lead underwriter, procured Times Electric to officially land on the Science and Technology Innovation Board, and successfully achieved A+H dual listing, raising funds of RMB 7.555 billion, thereby fully supporting the independent research and development and industrialization development of the train traction converter system.



Assisting in the issuance of the country's first technology innovation bond

Shanghai S&T Venture Capital (Group) Co., Ltd. (hereinafter referred to as "S&T Venture Capital Group") undertakes the core venture capital platform function in the construction of the Shanghai Science and Technology Innovation Center.

In March 2021, the Company, as the sole lead underwriter, assisted S&T Venture Capital Group to successfully offer "2021 Public Offering of Technology Innovation Corporate Bonds (Phase 1) of S&T Venture Capital Group".

The bond was the first technology innovation corporate bond issued in China. The proceeds from the offering were used to invest in the Shanghai Integrated Circuit Industry Investment Fund, which is committed to solving the technical "bottleneck" problems in the field of science and technology.



科创投集团
Shanghai STVC Group

全国首单科技创新公司债

热烈庆祝上海科技创业投资(集团)有限公司2021年公开发行
科技创新公司债券(第一期)成功发行!



债券简称	发行规模	债券期限	主/债评级	发行利率	全场倍数
21科创K1	5亿元	3年	AAA/AAA	3.68%	2.52倍

独家主承销商/簿记管理人:

GUOTAI JUNAN SECURITIES

特别鸣谢:

SHANGHAI STOCK EXCHANGE

律师事务所:

Zhenghui Law Firm

评级机构:

中诚信国际
CCXI

会计师事务所:

立信

By adhering to the concept of deep cultivation in the industry, the Company by virtue of its excellent quality of practice, comprehensively assisted the development of emerging industries, promoted the optimization and upgrading of traditional industries, and supported the development and growth of private enterprises.



Supporting the development of emerging industries

In April 2021

Guotai Junan Innovation Investment and Shanghai Integrated Circuit Industry Investment Fund jointly led the A round of financing in Shanghai Zhaoxin Semiconductor Co., Ltd. (上海兆芯集成电路有限公司), with a total financing amount of RMB 4.8 billion to facilitate the domestic substitution of chips. This investment case won the "Golden Bull Best Innovation Case" in the 5th "China Equity Investment Golden Bull Award".

In July 2021

Guotai Junan Innovation Investment and Silicon Port Capital jointly led the B round financing of Shandong Shanda Huatian Softwares Limited(山东山大华天软件有限公司), with a total financing amount of RMB180 million, further supporting the domestic substitution of industrial software.

In September 2021

the Company, as a sponsor, successfully procured Hangzhou Biotest Biotech Co., Ltd. (杭州博拓生物科技股份有限公司), a pioneer in China's vitro diagnostic industry, to land on the Science and Technology Innovation Board, assisting the company in providing innovative, immediate, high-quality diagnostic products and solutions for global users.

In November 2021

the Company, as the sole sponsor, procured Qingdao Yunlu Advanced Materials Technology Co., Ltd. (青岛云路先进材料技术股份有限公司) to become the first enterprise to be listed on the Science and Technology Innovation Board among the national "Science and Technology Reform Demonstration Action" enterprises.

Promoting the optimization and upgrading of traditional industries

In July 2021

the Company, as the sole sponsor and lead underwriter, procured Qingdao Hitech Mould & Plastic Technology Co., Ltd.(青岛海泰科模塑科技股份有限公司), a global automotive mold leader, to successfully land on the Growth Enterprise Market, assisting the company to realize the transformation and upgrading of the basic industries of the national economy.

In June 2021

the Company, as a sponsor, procured Great Wall Motor Co., Ltd. (长城汽车股份有限公司) to issue RMB 3.5 billion of convertible bond, which was the largest refinancing project of convertible bonds in the domestic auto sector in recent years, promoting the company's clean, intelligent and network development.

In July 2021

the Company, as a sponsor, procured China Water Shanghai Baolijia Chemical Co., Ltd. (中国水上海保立佳化工股份有限公司) to successfully land on the Growth Enterprise Market, and the proceeds from the listing would be used for the construction project of a water-based acrylic emulsion production base with an annual output of 280,000 tons.

In July 2021

the Company successfully sponsored Shanghai Wave Cyber Environmental Protection Technology Co., Ltd.(上海唯赛勃环保科技股份有限公司), a manufacturer of high-performance membrane materials and related professional supporting equipment, to successfully land on the Science and Technology Innovation Board, promoting high-quality development of one of the few enterprises with R&D and mass production capacity of membrane products, pressure vessels and pressure tanks products at the same time.

Promoting the development of private enterprises

STRENGTHENING PARTY BUILDING AND GUIDANCE AND ADHERING TO COMPLIANCE DEVELOPMENT

BACKGROUND

Adhering to the Party's leadership and strengthening the Party building is the "root" and "soul" of the Company's reform and development. The Company insists on leading high-quality development with high-quality Party building, seizes the opportunity of integrated reforms of state-financed and state-owned enterprises, deepens development of industry culture, comprehensively consolidates the foundation of governance, vigorously promotes the strategy of strengthening the Company with talents, and effectively builds compliance and risk control capability as its primary core competitiveness, and fully opens a new phase of high-quality development.

HIGHLIGHTS ON PERFORMING CORPORATE RESPONSIBILITY IN 2021

Our second Party congress was successfully held and we carried out a series of activities to celebrate the centenary of the founding of the Party

We attained the highest rating of **Class A** in the first Industry Culture Construction Practice Assessment

We conducted **16** internal trainings for the Risk Management Department and a total of **286** compliance trainings

We recruited **361** fresh graduates through campus recruitment and brought in **14** post-doctoral fellows

We provided **900.1 thousand hours** of online training, and **233.7 thousand hours** of offline training

We maintained the regulatory rating of **Class A Grade AA** for **14 consecutive years**

MATERIAL TOPICS ADDRESSED IN THIS CHAPTER

☑ Party Leadership

☑ Corporate Governance

☑ Industry Culture Construction

☑ Employee Rights and benefits

☑ Employee Development

☑ Risk management

☑ Compliant Operations

☑ Anti-Corruption

LEADING HIGH-QUALITY DEVELOPMENT WITH HIGH-QUALITY PARTY BUILDING

The Company's Party Committee further strengthened its ideological and political guidance function and insisted on the "first responsibility" of Party building to lead the development of the "first priority", providing a strong political guarantee for the Company to embark on a new journey of high-quality development.



Fully Promote High-Quality Party Building

The Company's Party Committee thoroughly studied and implemented Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, grasped the major opportunity arising from the Regional Integrated Trial Reforms for State-financed and State-owned Enterprises in Shanghai, and explored a way of Party building with the characteristics of state-owned enterprises, industries and the Company. Strictly adhering to the five key words of **"High, Integrating, New, Strict and Practical"**, the Company provided a strong political guarantee for starting a new journey of high-quality development. In 2021, with the second Party congress of the Company being held, the Company celebrated the 100th anniversary of the founding of the Communist Party of China with exceptional results of leading high-quality development with high-quality Party building.



Adhering to the "high" political position and pragmatically fulfilling the mission of a state-owned financial enterprise.

Strengthening their commitment to the "Four Consciousnesses", the "Four-sphere Confidence", and the "Two Upholds", the Company's Party Committee has been continuously improving political judgment, insight and execution, and striving to fulfill the economic, political and social responsibilities of a state-owned financial enterprise.

Implementing the work requirements of "integrating" and strengthening the Party building to guarantee operation and management.

In a market-oriented environment, the leadership of the Party is undoubtedly the unique advantage of state-owned enterprises. The Company insists on integrating the Party building work into all stages and aspects of operation and management, and effectively transforms the Party's political and organizational advantages into development and competitive advantages.

Creating "new" ways and methods to encourage Party members to actively study and practice.

As our country enters a new stage of development, the ways and methods of education and management of Party members in state-owned enterprises should also keep pace with the times. The Company's Party Committee studies the characteristics of Party members, makes full use of new technologies, creates new vehicles, and adopts new strategies to enhance the enthusiasm of Party members in theoretical study and encourage them to play a pioneering role.

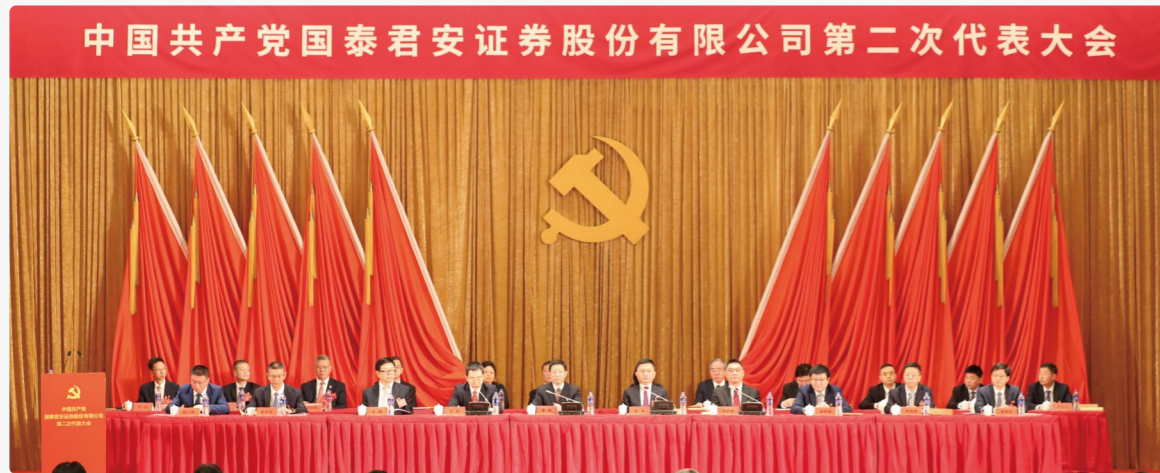
Sticking to "strict" governance principle and earnestly fulfilling the responsibility of practicing strict self-governance of the Party in every respect.

The Company firmly believes that successful development depends on a strong foundation, and only by fulfilling the requirements that the Party exercises effective self-supervision and practices strict self-governance, can it ensure the Company's high-quality development. In view of this, the Company's Party Committee has thoroughly implemented the policy of practicing strict self-governance of the Party in every respect, by strictly fulfilling its main responsibilities, and taking advantage of the reform of discipline inspection and supervision and the rectification of inspections by the municipal Party committee to improve the responsibility system and strengthen the transmission of responsibilities.

Adhering to the spirit of "practical", and promoting the implementation of the strategic path concept.

The Company's Party Committee has always adhered to the principles of truth-seeking and pragmatism, practically developed mid-to-long-term strategies, improved the strength of the grassroots organization, and persevered in improving work style, to steadily achieve high-quality development of the Company.

Keeping forging ahead while remaining true to our original aspiration, and creating a new prospect for high-quality development—The second Party congress of Guotai Junan Securities was successfully held



On 25 September 2021, Guotai Junan Securities Co., Ltd. successfully held its second congress of the Chinese Communist Party, which was a very important congress convened during the critical period of taking a new journey of building a socialist modern country in an all-round way at the new starting point in the Party's centenary history, seizing new opportunities for the reform and development of the capital market, implementing the new requirements for the high-quality development of the securities industry, and writing a new chapter on the Company's "three three-years and three steps" strategic path conception.

The congress summarized and reviewed the Company's arduous entrepreneurial journey, which laying a solid foundation for high-quality development, and profoundly summarized and revealed the lessons learned, and clarified the Company's overall work requirements and main goals in the future. Election of members of the new session of the Party Committee of Guotai Junan Securities were voted by secret ballot by all the representatives.

Vigorously advocating the "five styles" to enhance soft power

From August to December 2021, the Company promoted the "five styles of work" among leading cadres and Party members through organizing practical activities on "learning history to change styles of work, and comprehensively enhancing soft power". These five styles of work refers to "achieving best-in-class performance and pursuing excellence" in good times, "embracing accountability and taking responsibility" for the reform, "conducting our work in accordance with the overall plan and cooperate with each other" in joint operations, "applying a realistic and pragmatic approach, and making best efforts to accomplish our deeds" in daily work, and "fostering value of integrity and self-discipline, and strictly adhering to the red line" in both work and life.

The Company steadily promoted the practical activities of "We do practical work for the masses", focusing on the development of the Company, the interests of employees and the needs of customers, and formed 17 key practical projects for the grassroots by the Company's Party Committee and 392 key practical projects for the public by the Company's grassroots Party organization.

According to the list of practical projects, the leaders and relevant departments proactively picked out projects within their duty scope and carefully resolved them one by one, to ensure that each practical project was completed on time. In the end, a total of 117 customer service issues, 90 business development issues, and 202 employee caring issues were resolved. This allows the masses to see the results and feel the changes.

Guotai Junan "Integration of the Party Building" Brand Manual was officially released on the eve of July 1st

On the eve of 1 July 2021, the Company released the "Integration of the Party Building" Brand Manual, which systematically explained the background, purpose, interpretation and case studies of the "Integration of the Party Building" brand.

In recent years, the Company's Party Committee has actively explored and practiced the work model of "Integration of Party building" and developed the Company's "three three-years and three steps" strategic path concept during the implementation of the Party's lines, principles and policies and the ongoing integration of Party building work into operation management.

The "Integration of the Party Building" includes five aspects: the integration of the Party's political construction and our corporate governance, the integration of the Party's ideological construction and our construction of corporate culture, the integration of the Party's organizational construction and our cultivation of talents, the integration of the development of good Party conduct and clean government and our compliance risk control, and the integration of the Party building by joint construction and our business development. The purpose of "Integration of the Party Building" is to play the role of leading, cohering and serving. That is, the "Integration of the Party Building" model shall ensure the Company's operation and management is upholding the Party's overall leadership, and guarantee the right orientation in the Company's development; unify the ideological understanding and consensus on development, and improve organizational capabilities and stimulate team strength; and strengthen supervision and joint efforts to improve the level of risk control and escort the Company for stability and long-term development.

The "Integration of the Party Building" model of the Company

Was awarded as the Top 100 Cases of Party Building in the National Financial System in the New Era

and the "Integration of the Party Building" secretary offices of the Party Branch of the Asset Custody Department and the Party Branch of the Beijing Zhichun Road Business Department were

Selected as the Excellent Case of Party Building in the Organization Department of the Municipal Party Committee

Facing the future, the Company will unswervingly uphold the leadership of the Party, strengthen the Party building, and promote the deepening of the Party's ideological and theoretical construction, to effectively improve the ability and quality of the leadership teams and cadres at all levels, making the Party's grassroots organization becoming more dynamic. We will intensify the development of good Party conduct and clean government and the fight against corruption, to make the relationship between the Party and the masses becoming closer and more harmonious. We will insist on leading high-quality development with high-quality Party building, and continue to focus on the goals and tasks of the "new blueprint, road map, and construction map", also the "three maps", to fully promote the Company's strategic planning with new deeds, new progress and new breakthroughs.

DEEPENING DEVELOPMENT OF INDUSTRY CULTURE

Industry culture is an important manifestation of the soft power and core competitiveness of securities operating institutions, and is the inner strength and foundation of the high-quality development of the securities industry. The Company insists on taking cultural construction as an important pillar for achieving sustainable and healthy development, and continues to cultivate the cultural concept of “compliance, integrity, professionalism and stability” in the securities industry.

Solid Organizational Guarantee

The Company has always insisted on cultural construction as an important pillar for sustainable and healthy development. In order to ensure a strong organizational guarantee for cultural construction and create a pattern of co-management of culture and construction, the Company established a cultural construction work leadership group led by the main leaders of the Party Committee to conduct regular research, and other leaders in charge were responsible for specific matters, with joint participation of relevant functional departments. As such, we established a cultural construction pattern of “unified leadership by the leading group, joint management by the Party, government, and work group, and joint participation of all grassroots units”.

The Company further strengthened the Party’s leadership over ideological and cultural work, and enhanced the ability of cultural construction in clusters through the coordination and linkage of Party organizations at all levels, and effectively improved the energy level of cultural construction work to ensure that the communication from top to bottom and efficiency of the implementation.

In 2021, the Company was rated **Class A** in the first Industry Culture Construction Practice Assessment organized by the Securities Association of China, which is the highest level of this rating.

Cultural Concept of Advancing with the Times

In 2021, taking the rating of **Class A** in the first Culture Construction Practice Assessment in the Securities Industry as a new starting point, the Company deeply grasped the “six musts” and “five upholds” of the high-quality development requirements of the industry, and thoroughly implemented the “ten elements” of the industry’s cultural construction. We adhered to the leading of the Party building, integrated the Party’s ideological building with our construction of corporate culture, and became an advocate of the securities industry culture with Chinese characteristics. We strengthened cultural promotion, promoted the integration of cultural concepts and employee conducts, and became a disseminator of the securities industry culture with Chinese characteristics; We implemented the “Four Persistences and Four Avoidances”, promoted the integration of corporate culture and operation management, and became a practitioner of the securities industry culture with Chinese characteristics. We used ideological consensus to ensure consistent action, and promoted self-consciousness with cultural recognition, to promote the cultural brand of “serving the country with financial services”, and make every effort to build a “prestigious” securities company and strive to become the vanguard and pioneer of the securities industry culture with Chinese characteristics.



“Serving the country with financial services” is the philosophy that the Company has always been practicing. The “Four Persistences and Four Avoidances” is a further enrichment of the cultural connotation of “serving the country with financial services” and provides value standards and action guidelines for the Company’s future development. At the same time, the Company’s cultural philosophy also draws nourishment from the great Party-building spirit, further sublimating the meaning and value of “serving the country with financial services”. In 2021 , by studying the spirit of General Secretary Xi Jinping’s important speech on “July 1st”, the Company puts forward: Upholding and practicing the concept of “serving the country with financial services” is the industry embodiment of “adhering to the truth and embracing the ideals”, the specific implementation of “practicing the original aspiration and shouldering the mission”, the spiritual driving force of “fearing no sacrifices and fighting heroically” and the fundamental pursuit of “loyalty to the Party and living up to the trust the people”, which further highlights the political position of Guotai Junan’s concept of “serving the country with financial services”.

CONSOLIDATING THE FOUNDATION OF CORPORATE GOVERNANCE

The Company has continuously optimized its governance structure, completed the re-election of the board of directors, and selected outstanding professional managers into the management team, thus achieving the organic unity of Party leadership and improvement of corporate governance.

Improving Governance Mechanism

The Company successfully held the second Party congress, to elect members and determine tasks of the new session of Party Committee. We fully implemented the requirements of “two-way entry and cross-employment” to complete the re-election of the Board of Directors, the Supervisory Committee and the management of the Company, and identify and hire high-end professionals as independent directors, elect staff representatives as employee supervisors, and openly select outstanding professional managers to enter the management. The main structure of governance has become more professional, younger, diversified and international, and the leadership team has become stronger.

The sixth session of the Board of the Company reorganized the “Strategy Committee of the Board” into the “Strategy and ESG Committee of the Board” to increase the supervision and management of ESG matters, including conducting research on the Company’s ESG governance and providing advice on decision-making, and deliberating and making decisions on the Company’s ESG governance vision, goals, policies and other functions.

As a company listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange, the Company have strictly complied with the requirements of laws, regulations and regulatory documents in the domestic and overseas listing places, operated in accordance with the regulatory requirements and constantly perfected the corporate governance structure and systems to strengthen corporate governance that meets the development needs of modern first-class investment banks. The Company has completed the re-election of members of the new session of the Board of Directors, implemented the new “Securities Law” to amend the Company’s articles of association, improved the operating rules of the Shareholders’ general meeting, the Board of Directors and the Supervisory Committee, and improved the management level of the Company from the perspective of improving the top-level governance mechanism.

According to the requirements of laws, regulations and regulatory documents such as the requirements of the Regulations on Supervision and Administration of Securities Companies (《證券公司監督管理條例》), the SSE Listing Rules and the Hong Kong Listing Rules, the Company has formulated various rules and regulations, including the Articles of Association, the Working Rules of the Strategic Committee of the Board, the Board Diversity Policy and the Working System for Independent Directors, to regulate the operation of the Board and various special committees.

The Company has established a corporate governance structure, comprising the general meeting, the Board, the Supervisory Committee and the management of the Company to form a complete corporate governance system for discussion, decision-making, delegation and implementation with clear responsibilities, regulated operation, coordination and balance among the competent authorities, the decision-making body, the supervision body and management. At the same time, the Company has continued to establish and improve the selection and appointment system of employee directors and employee supervisors to ensure that employees enjoy full rights in corporate governance.

Composition of the Board in 2021

17 Directors

3 Executive Directors

14 Non-executive Directors

1 Female Director

3 Employee Supervisor

6 Independent non-Executive Directors

Better Information Disclosure and Investor Communication

In order to fully protect investors’ rights to know the business development, performance changes and other operation information of the Company, the Company has formulated management rules such as the Administration Rules of Information Disclosure, the Registration Rules of Insiders of Inside Information and the Administration Rules of Investor Relation, prepared the information disclosure manual according to the SSE Listing Rules, the Hong Kong Listing Rules and requirements of other stock exchanges, stipulating in details of the preparation basis, format and preparation procedures of various regular reports, and revised such rules based on the latest regulatory requirements.

Although the offline communication with investors was burdensome in 2021 due to the impact of the pandemic, the Company has overcome difficulties to maintain relatively high intensity in reverse roadshows, inspection and research meetings and other related works, and has increased online communication frequency and enriched the online communication mode at the same time, and therefore the number of communication meetings held and institutions visited was significantly higher than that of last year.

Investor communication performance in 2021

- ◆ Conducted 17 reverse roadshows, visited shareholders and institutional investors for 24 times, timely and effectively communicated the core competitive advantages and the latest development of the Company with them, and created a positive and interactive relationship with investors
- ◆ Held 2 telephone conferences and 1 online conference for performance presentation, and about 216 sell-side analysts and institutional investors in total from home and aboard attended the conferences
- ◆ Participated in a total of 21 strategy meetings held by the sell-side institutions, and had meetings with about 152 institutions and 168 persons in total
- ◆ Held 7 meetings with the sell-side analysts and investment institutions for inspection and research, with about 54 institutions and 62 persons in total involved

2021 Investor Open Day Event

In September 2021, Guotai Junan held the 2021 Investor Open Day Event in Shanghai. The event is themed on wealth management and digital transformation. More than 60 investment and research directors, fund managers and analysts from CITIC Securities, Haitong Securities, Huatai Securities and other institutions participated in this event.

The Company specifically introduced its corporate strategy, wealth management, digital transformation and other relevant issues, and made a detailed presentation for investors and analysts in respect of issues highly concerned by the market, such as wealth management business structure, serving for the strategic goal of common prosperity, cultivating investment consultants, standardization of branches, building an open securities ecosystem and evaluating the effectiveness of digital transformation, which greatly enhanced investors and analysts’ understanding and recognition of the Company and achieved outstanding interactive effects and brand effects.



VIGOROUSLY PROMOTING THE TALENT OPTIMIZATION STRATEGY

The Company attaches great importance to talent works by persistently adhering to the business philosophy of "Talent is the First Resource", continuously strengthening talent-led development, vigorously promoting the talent optimization strategy and accelerating the construction of a strong talent pool in the industry.

Strengthening the Construction of Talent Team and Management Incentive Mechanism

In 2021, the Company held the first talent-related work conference since its establishment by way of merger, and issued the Certain Measures to Implement the Spirit of the Central and Shanghai Talent Work Conference (《贯彻落实中央和上海人才工作会议精神若干措施》) and Special Plan for the Discovery, Training and Selection of Young Leaders (《年轻领导人员发现培养选拔工作专项规划》); implemented the tenure-based assessment and management system covering all mid-level management staff of the Company to stimulate the organic development momentum of the Company with the promotion or demotion of cadres; carried out inspection and investigation on young cadres on the basis of "five one-batches (五个一批)" with an aim to cultivate reserve talents, and jointly organized two training classes for young and middle-aged cadres in cooperation with China Executive Leadership Academy Pudong to select and cultivate a high-quality and professional team of young cadre s.

Holding the talent-related work conference

In 2021, the Company held the first talent-related work conference since its establishment by way of merger, and issued the Certain Measures to Implement the Spirit of the Central and Shanghai Talent Work Conference (《贯彻落实中央和上海人才工作会议精神若干措施》) and Special Plan for the Discovery, Training and Selection of Young Leaders (《年轻领导人员发现培养选拔工作专项规划》); completed the tenure-based assessment and the retirement by rotation for re-election of all domestic and overseas subsidiaries, improved the long-term incentive and restraint mechanism for core talents, and stimulated the organic growth momentum of the enterprise; selected and cultivated a high-quality and professional team of young cadres, and jointly organized two training classes for young and middle-aged cadres in cooperation with China Executive Leadership Academy Pudong. The Company continued to optimize the age structure of its cadres. The number of post-80s cadres accounted for 61.1% of the newly-promoted middle-level cadres in 2021, up by 36.1% and 16.7% compared with that in 2019 and 2020, respectively. The Company was granted the Excellent Practice Award by the International Talent Development Association.



Core talents are the key element for implementing the strategic goal of the Company and the main forces to undertake the performance tasks of the Company. The Company has launched an equity incentive scheme which is focused on core employees and aimed to motivate them to pursue development and share profits and risks with the Company.

Implementing the equity incentive scheme to motivate core employees

After consideration and approval at the general meeting, the Company formulated and implemented the A Shares Restricted Stock Incentive Scheme in 2020, identifying a total of 498 core talents most critical to the Company's development as the incentive participants, accounting for approximately 3.8% of the total number of employees of the Company.

According to relevant requirements under the restricted stock incentive scheme, the Company granted restricted stocks to the first batch of 440 incentive participants in 2020, and granted the reserved portion of restricted stocks to 58 eligible incentive participants in 2021. Such 58 incentive participants are the core talents newly hired or promoted by the Company. Through incentives and restraints on core talents, the Company is committed to guiding and motivating their determination to forge ahead, overcome difficulties and blaze new trails.

The Company has established a proper talent introduction mechanism, comprehensively utilizing its official website, WeChat public account, headhunting recommendation, staff recommendation and other channels to continuously expand the coverage of talent recruitment by means of social recruitment, campus recruitment and etc. Guided by the selection criteria of "cultural identity, capability and integrity, diligence and dedication, and excellent performance (文化认同、德才兼备、勤勉敬业、绩效优异)", the Company continues to absorb outstanding talents and dynamically optimize its workforce.

Recruitment results of Guotai Junan in 2021

Campus Recruitment

The Company provided employment for outstanding fresh graduates through campus recruitment programs, such as the Management Trainees under the Junxuan Program (君选计划管培生), Fin-tech Special Session (金融科技专场), Digital Talent Special Session (数字化人才专场) and Branch Special Session (分支机构专场). In 2021, the Company hired 361 fresh graduates through campus recruitment.

Social Recruitment

The Company established the "popular position" release mechanism, and recruited high-quality talents through social recruitment channels according to the recruitment needs of various business lines of the Company. In 2021, the Company introduced 1,127 outstanding talents through social recruitment.

Post-doctoral Scientific Research Workstation

The Company adopted the principle of "open recruitment, strict selection, and merit-based admission", and introduced post-doctoral researchers in an open, fair and just manner, so as to cultivate investment and research talents in emerging fields that meet the high-quality development needs of the industry and the company. In 2021, the Company introduced 14 post-doctoral fellows.

Management Trainees under the Junxuan Program (君选计划管培生) for fresh graduates

The Management Trainees under the Junxuan Program (君选计划管培生) is a young talent introduction and development program carried out by the Company for fresh graduates, aiming to cultivate versatile talents with comprehensive business capabilities through various methods such as job rotation exchanges, mentoring, special training, and theme tasks. Based on the initial campus recruitment and taking into account the employees' individual career development intension, the Company has selected 21 management trainees in total according to the Management Trainees under the Junxuan Program (君选计划管培生) in 2021.

The Company has comprehensively considered the advantages, characteristics, career development intentions of all management trainees, employment needs of various departments, determined the job rotation training plan of "one person, one plan", and ensured that there are senior mentors for training at each stage of job rotation, to achieve the personalized and customized career development route through online and offline systematic training.

In 2021, the Company won the award of **Best Enterprise to Attract and Retain Talents** 人才吸引和保留典范企业 in 2021 China Best Employer by 51job.com.

Empowering Employees to Develop Their Careers

With the mission of "cultural inheritance, strategic publicity, innovation cultivation, knowledge integration, and talent incubation (文化传承、战略宣导、创新培育、知识集成、人才孵化)", the Company is committed to building a first-class talent training and development system in the industry, taking the talent cultivation concept of "ten years of trees, centuries of talent cultivation", and insisting on both talents cultivation and business empowerment, to provide continuous, effective and stable support for the strategy transformation and talent development.

In 2021, in order to promote the comprehensive digital transformation strategy, the Company continued to strengthen the construction of the digital training platform and the training effectiveness of digital talents, and formulated the "hierarchical training plan for digital talent", to fully realize the digital training from management to implemented level at three dimensions of "digital leaders, digital application talents, digital professional talents" and focus on cultivating "technical talents who understand business" and "business talents who understand technology".

By the end of 2021, the Company has held **18** training sessions related to digital transformation, including the Digital Thinking Training Camp (数字思维训练营), Data Analysis Training Camp (数据分析训练营) and Digital and Intelligent Gold Talent Special Training Camp (数智金才特训营), to promote the construction of digital transformation culture.

Relying on the E-Learning digital training platform, the Company has built and constantly optimized the digital training system, and improved the training efficiency from five digital aspects, including trainee portrait analysis, scene access, operating strategy, feedback evaluation and iterative optimization, so as to improve the experience between students and instructors and promote the digital training transformation. In 2021, the Company continued to build the digital training and operating brand, and successively launched more than 10 digital learning columns, such as the Live Everyday (天天有直播), Online Training Camp for Community Learning (在线社群学习训练营), Digital Financial and Quality Course (数位金融精品课), and Supply Station with Digital Capability (数字化能力补给站), satisfying the diverse learning needs of employees.

In 2021, the Company has provided its employees with **1,133,800 hours** of offline and online training in total, including **900,100 hours** of online training and **233,700 hours** a of offline face-to-face training;

by the end of 2021, the Company has developed and introduced **17,277 online courses** and **2,540 online courses**.

The Company has built a multi-level talent training system, set up hierarchical and classified training programs for business talents, management talents, international talents, and post-doctoral high-end talents, and continued to improve the general quality training system, aiming to explore the establishment of a talent training mechanism for cross-department, cross-line, and cross-major talent exchanges, covering the entire career.



Typical plans and achievements
of the talent training system in 2021

Business talent training

- ◆ Implemented wealth management business transformation driven by the improvement of employee capabilities through the talent selection projects, such as the Wealth Management Gold Talent Training Camp (理财金才训练营), Digital and Intelligent Gold Talent Special Training Camp (数智金才特训营) and Investment and Advisory Gold Talent (投顾金才).
- ◆ Improved the staff capabilities of in various business lines through the talent training plans, such as the Financial Craftsman (金融工匠) and business elites for private equity customer, and other business training plans.
- ◆ Provide targeted training plans for branch employees through various modes, such as "special job-oriented training, door-to-door customized training, joint regional training, integrated line resource training", to improve the business quality of branch employees.
- ◆ Laid a solid digital talent foundation for the Company's comprehensive digital transformation through digital training plans, the Business Empowering Learning and Training Camp (业务赋能学习训练营) won the third prize of the Key Contribution Competition Case Award in 2020 Shanghai Financial Employees Contribution Competition Activities (2020年度上海金融职工立功竞赛活动).

Management talent training

- ◆ Established the "Two-Level and Third-Tier" Training Plan Series for Corporate Management Talents (公司管理人才"二层三阶"培训项目系列) and Finance College Management Training Course System (金融学院管理培训课程体系) to provide support for the improvement of corporate management efficiency
- ◆ Carried out a series of management training programs at different levels and tiers, including the training program for the ability improvement of the headquarter supervisors and the leadership improvement training program for branch management, to promote the ability improvement of management talents

International talent training

- ◆ Built the International Knowledge Exchange Platform, established knowledge sharing and cooperative relationship with the well-known experts and famous international institutions in high-level industry, providing support for the employees to understand overseas business and regulatory rules, as well as the cross-border business models.
- ◆ Organized projects such as international talent training camp, international salon forums, to expand international vision for the reserved and international talents of the Company

Postdoctoral high-end talent training

- ◆ Continued to expand the width and depth of joint training for high-end talents in the post-doctoral working stations, of which training topics involved most of the management and business lines, to achieve effective connection between cutting-edge theory and business practice.
- ◆ By the end of 2021, the post-doctoral working station has cultivated a total of 45 postdoctoral fellows, published 20 papers and compiled 4 monographs, and was awarded the Excellent Post-doctoral Scientific Research Working Station in Shanghai (上海地区优秀博士后科研工作站) by the Shanghai Municipal Human Resources and Social Security Bureau.

General quality training

- ◆ Enriched and optimized the growth path of its employees through new employee training for social and campus recruitment, management trainee program under the Junxuan Plan (君选计划), job rotation, exchange training among internal employees and other projects.
- ◆ Conducted 7 sessions of new employee training and 16 sessions of internal employee job rotation exchange training, and officially launched the first phase of growth training camp for management trainees under the Junxuan Plan (君选计划) in 2021.

"Immersive" teaching methods to cultivate elite talents in private equity business

In order to improve the ability of employees to serve private equity clients, the Company has carried out the elite talent training program in private equity business respect of the ICB Talent (Institutional Client Business Talent) for salesmen engaged in private equity business in branches and employees who are willing to engage in the private equity business development in the future. In 2021, the Company held 4 training sessions, with a total of 210 person-times trained.

The one-year training project comprehensively applied scenario-based and practice-based training strategies, adopted a combination of online and offline training methods, involving a series of training contents, such as private equity macro vision, private equity marketing, and professional ability improvement of private equity business. Through the "immersive" teaching methods, such as lessons and exams by the internal and external experts and lecturers, problem-solving seminars, excellent administrators visiting and learning, on-site defense reports and teaching and practical contests, the business ability of employees was comprehensively improved.

**Cultivating front-line management and the Jun Shuai Sunshine Class (君帅阳光班) recognized by ATD, being the international authoritative organization**

In order to build a talented management team with the leading comprehensive quality and management capabilities in the industry, the Company has carried out the Jun Shuai Sunshine Class (君帅阳光班) to provide the ability improvement training program for the front-line management in respect of the general managers of business departments, department heads of subsidiaries and other branch management

The training program is classified into three stages and carried out through the method of "training + practicing". The management participated the training in groups and adopted the performance improvement methods and theories learned from the course, to jointly solve 5 separate operating problems of the business department. They explored and analyzed the reasons and solutions of problems in the management context of business department, and repeatedly revised the management measures and working methods suitable for the local business department in practice.



The Jun Shuai Sunshine Class (君帅阳光班) training program was awarded the annual Outstanding Talent Development Practice Award (卓越人才发展实践奖) by the International Association for Talent Development (ATD), being the global talent development authoritative organization.

In order to assist the employees in improving their professional skills and professional accomplishment, the Company encourages and supports its employees to obtain relevant professional qualification certification. While the examination fee and registration fee of the employees all being reimbursed, the Company also conducts pre-examination training to support the employees to obtain the certification. In 2021, the Company held the pre-examination training of investment and advisory service competence for 887 employees; the Company organized the pre-examination training of fund practitioner qualifications for 682 employees.

In terms of employee promotion and performance appraisal, the Company has established a sound employee career development system and performance management mechanism, and strived to creating a development platform for the employees to realize their personal ideals, show their personal value, and provide space, motivation and guarantee for its talent development.

Career development system and performance appraisal and complaint mechanism**Career development system**

- ◆ By considering the concept and practice of ranking management in international investment banks, the Company formulated the Administrative Measures on Professional Ranking of Guotai Junan Securities Co., Ltd. (国泰君安证券股份有限公司专业职级管理办法) and established a professional ranking management system, to build a clear professional development channel for its employees and provide space, motivation and guarantee for talent development
- ◆ The Company conducted the professional ranking management based on a competence guided, performance oriented and floating mechanism for dynamic adjustment, comprehensively evaluated its employees' professional ability, performance and other factors for grading and adjustment, and encouraged the outstanding employees to develop rapidly, implemented promotion and demotion based on performance and guided the employees to improve their professional competence and performance

**Performance appraisal and complaint mechanism**

- ◆ The Company formulated the Administrative Measures on Performance Management of Guotai Junan Securities Co., Ltd. (Revised in 2018) to conduct annual performance appraisal for its employees, including key quantitative indicators (KPI), work goal setting (GS), bonus points, deduction points, etc.
- ◆ Once confirmed, the appraisal results will be reported to the employees in time. If the employees disagree with the performance results, they should lodge complaints with the performance result. After receiving the application, the relevant departments will investigate and verify the results in time and report back the investigation results

Caring for the Life of Employees

In order to share more benefits from company achievements with employees, the Company has revised the Implementation Measures of Guotai Junan Securities Co., Ltd. to Provide Employees with Assistance and Consolation (《国泰君安证券股份有限公司员工帮扶慰问实施办法》) in 2021. In its efforts to solve actual problems for employees and increase their sense of gains, happiness and safety, the Company offered assistance and consolation to those who were in need for such things under relevant requirements. The consolation payments made by the Company amounted to nearly RMB2 million in 2021.

Assistance and consolation activities in 2021

- ◆ During holidays such as New Year's Day, Spring Festival and Double Ninth Festival, assistance and consolation were provided to employees in difficulties, employees in retirement, labor models, etc.
- ◆ We distributed condolences to employees on statutory holidays, and used consumer poverty alleviation products as one of the holiday condolences, spending more than RMB4 million for poverty alleviation.
- ◆ We have applied the "Student Assistance in Golden Autumn" in Shanghai financial system for two children of our employees who met the conditions of condolence and assistance.
- ◆ We assisted employees in need to declare the "Basic Guarantee Exclusively for Shanghai Labor Union Members" for serious illness compensation.
- ◆ We have effectively carried out investigation and condolence activities of "Labor Union Enters Ten Thousand Homes" and practical activities of "I do practical things for the masses".

The Company adheres the principle of "development by the employees, for the employees and of the employees" and actively creates a harmonious, healthy and upward working and living atmosphere by carrying out employee care activities such as female employee care activities, cultural and sports activities, and parent-child activities.

Employee care activities in 2021



Parent-child activities

- ◆ Carried out the parent-child activity on Children's Day under the theme of "Children Flying Towards the Party Dream, Imagining Future Growing Together"



Female employee care

- ◆ Many infant rooms were set up in working area to provide convenience for female employees in need
- ◆ In early March 2021, the Company held the activity of "Re-walking the Long March Road, Women Are Different" to celebrate the March 8th Women's Day and the 100th anniversary of the founding of the Party



Cultural and sports activities

- ◆ 2021 "Guotai Junan Cup" table tennis competition was held, with more than 200 employees taking part
- ◆ Organized employees to participate in cultural and sports activities such as e-sports competitions, micro-movie collections, badminton competitions, etc.

BUILDING OF A FIRM COMPLIANCE AND RISK CONTROL LIFELINE

The Company held the first compliance and risk control work meeting since its listing, committed to establishing and improving the "integrated pattern" of comprehensive risk control, and continued to improve the "three lines of defense". The Company also revised its Reputational Risk Management Measures (《聲譽風險管理辦法》) in accordance with Guidelines for Reputational Risk Management of Securities Companies (《證券公司聲譽風險管理指引》) issued by the Securities Association of China. Therefore, the Company has promoted the concept of "risk management creates value, bright future comes only from compliance operation" and built a comprehensive lifeline for high-quality development.

Holding of compliance and risk control work meeting for 2021

In December 2021, the Company held the compliance and risk control work meeting for 2021, deeply grasped the situation and requirements of the comprehensive risk control pattern, and made every effort to build the Company's high-quality development lifeline to better escort its reform and development.

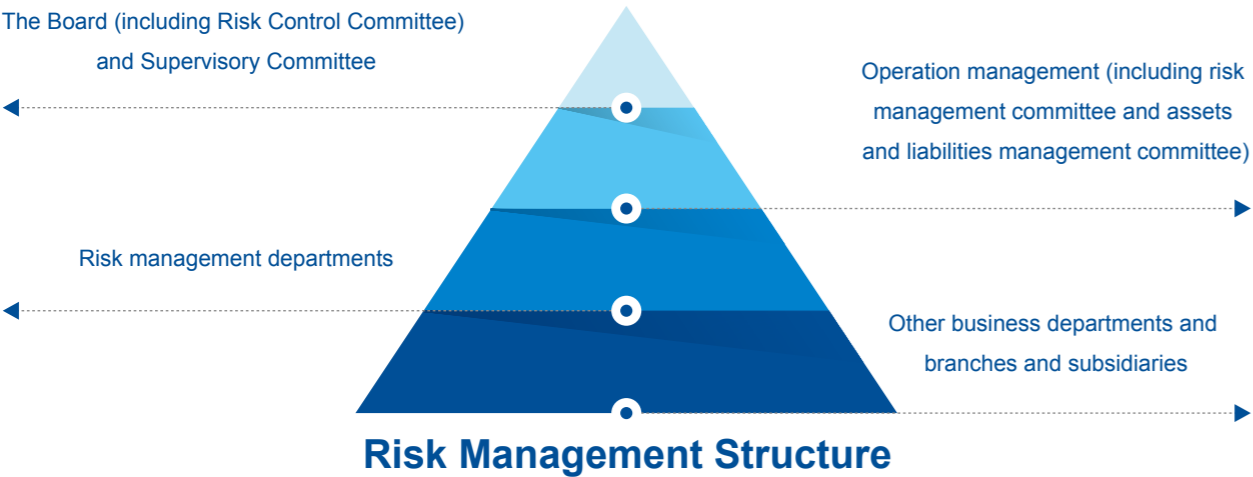
The Company has maintained the highest regulatory rating of **AA of Class A** for **14** consecutive **years**, continued to maintain the highest international credit rating in the domestic industry by S&P and Moody's, and was selected into the **first "white list" of securities companies** issued by the CSRC.



Reinforce Risk Control

Risk control capability is an important line of defense to balance risks and benefits and ensure long-term healthy development. The Company promotes a stable risk control culture, builds a risk management concept that balances risks, development and benefits, and establishes a comprehensive risk management system that is compatible with its own development strategy so as to ensure the effective implementation of risk management policies and the orderly advancement of risk management work. Our risk management system includes a feasible management system, a sound organizational structure, a reliable information technology system, a quantitative risk indicator system, a professional talent team, and an effective risk response mechanism.

In 2021, the Company formulated and issued the Concentration Risk Management Measures for the Same Client and Target of Guotai Junan Securities Co., Ltd. (《國泰君安證券股份有限公司同一客戶及標的集中度風險管理辦法》), Information Technology Risk Management Measures of Guotai Junan Securities Co., Ltd. (《國泰君安證券股份有限公司信息技術風險管理辦法》), and revised the Comprehensive Risk Management Measures of Guotai Junan Securities Co., Ltd. (《國泰君安證券股份有限公司全面風險管理辦法》), New Business Compliance and Risk Management Measures of Guotai Junan Securities Co., Ltd. (《國泰君安證券股份有限公司新業務合規與風險管理辦法》) and the Authorization Management Measures of Guotai Junan Securities Co., Ltd. (《國泰君安證券股份有限公司授權管理辦法》) and other management systems, having further improved the risk management system and enhanced efficiency of risk management.



In 2021, the Company has formulated a "5-3-1" risk management framework based on its own strategic goals and various risk conditions, and continued to improve the "integrated pattern" of large-scale risk control to create a comprehensive, proactive, pragmatic and effective risk control system with professional, tough features and precise empowerment, ensuring the high-quality development of the Company's business.

“5-3-1” Risk Management Structure

“5” refers to the five types of risks existing in the group's business operations and the five areas to focus on. Five types of risks include “market risk, credit risk, liquidity risk, operational risk, reputation risk”, while five key areas include new IT system launched, transaction investment business, credit business, large investment banking business, subsidiary management.

“3” refers to three principles, three lines of defense, and three starting points in comprehensive risk management work. Three principles include "standing to the bottom line, dynamic forward-looking and precise empowerment", the three lines of defense include "front-line risk control, full-time risk control and auditing", and the three starting points include "system rules, mechanism processes, pre-judgment, early warning and response".

“1” refers to the establishment of a comprehensive, timely and effective information system platform to facilitate the digital transformation of risk management into "group-level management and control".

The Company has established the risk management department as the leading department of comprehensive risk management, continuously strengthens the centralized management of market risk, credit risk, operational risk and liquidity risk, and comprehensively promotes accurate identification, prudent assessment, dynamic monitoring, timely response, and whole-process management of risks, ensuring the steady development of various businesses. In 2021, the Company carried out various risk management work in an orderly manner under the "5-3-1" risk management framework.

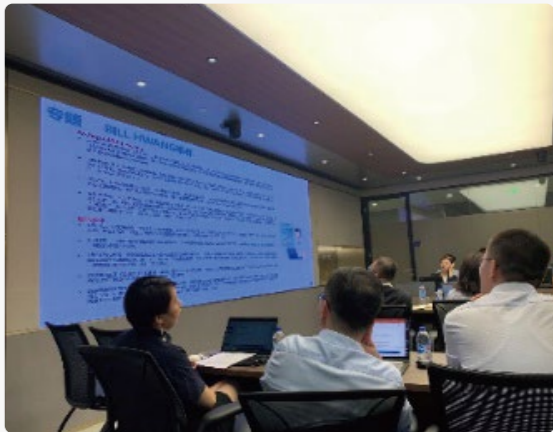
In order to make risk management work more in line with business needs and market changes, the Company continuously strengthens the construction of professional talent echelons in risk control lines, and actively cultivates digital professionals, compound leading talents, talents in investment research in emerging fields and international talents that meet the high-quality development needs of the industry and the Company. In 2021, the Company carried out a total of 16 internal trainings for the risk management department on topics such as digital transformation, public offering of REITs, pre-judgment and early warning framework, and key businesses in trading and credit.



Professional Skills Empower Risk Management

The Company organized all employees of the risk control line to carry out a training project on the “Seminar on OTC Options for Equity and Customer Demand Business (權益客需業務場外期權專題研討)”, and invited the leaders and employees of relevant business departments to participate in the on-site communication with about 40 participants.

The training focused on the risk management of over-the-counter derivatives, emphasized the relevant business logic and risk management model, analyzed the recent market risk events, and jointly discussed the problems encountered in the business, aiming to strengthen the professional skills of the risk control line employees and their understanding of the business.



Guotai Junan International Integrates ESG Risk Management
into Comprehensive Risk Management Framework

Guotai Junan International regards ESG risk management as an important issue for sustainable development, and incorporates ESG risk into the scope of comprehensive risk framework and credit risk assessment to further improve the comprehensive risk management system. Meanwhile, ESG factors are taken into consideration in business decision-making, and major ESG risks are avoided by reviewing the ESG rating reports issued by third-party authoritative rating agencies on customers and investment targets to assess the ESG risks of customers and investment targets.

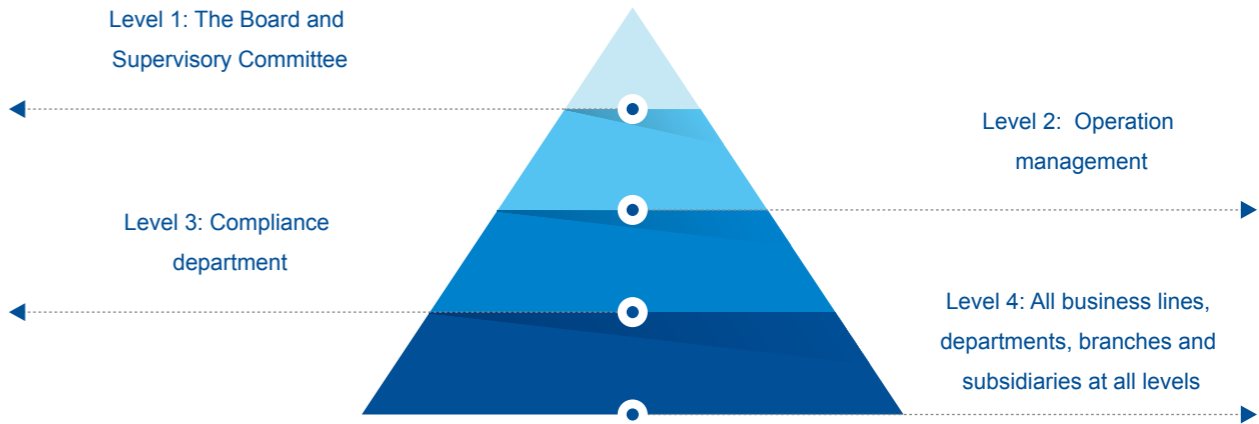
In addition, Guotai Junan International is promoting the investment team to incorporate ESG factors into the due diligence and investment decision-making process, and continues to pay attention to and regularly review the ESG performance of the investment targets in the post-investment management process. In the event that a material ESG risk event of the investment target has a serious negative impact, the investment team will report to the investment decision-making committee in a timely manner and take measures to reduce the ESG risk.

Business Decisions Taking into Account the Specific Circumstances of ESG Factors

- ◆ Preferentially supporting industries that are highly compatible with ESG concepts, such as new energy vehicle industry chain, clean energy, low-carbon trading system;
- ◆ Avoiding specific industries with significant ESG risks, such as the gaming industry, high energy consumption and high pollution industries, highly socially controversial industries;
- ◆ Setting ESG indicators for investment targets and projects, such as whether there is any significant pollution incident that has been severely punished by environmental regulatory authorities, whether there is any large-scale consumer right protection incident caused by a defect in the Company's products or services, and whether any management member of the Company is involved in a corruption scandal.

Promoting Compliance Operation

Adhering to compliance Operation is an insurmountable bottom line for the survival and development of an enterprise. The Company has formulated the Compliance Management Measures of Guotai Junan Securities Co., Ltd., the Compliance and Risk Management Accountability Measures and Compliance and the Risk Management Assessment Measures in accordance with the Rules Governing the Compliance of Securities Firms and Securities Investment Fund Management Companies by the CSRC and other regulations and self-discipline rules. The Company has established and continuously improved the compliance management system, organizational structure and personnel allocation, and effectively built the compliance management capability as the Company's primary core competitiveness, so as to better escort the Company's reform and development.



Organizational Structure of
Compliance Management

The Company actively organized and carried out compliance training and publicity work. In 2021, a total of 286 compliance trainings were carried out through online and offline channels, and continued to strengthen the compliance awareness of front-line compliance personnel and business personnel. In addition, the Company incorporated the compliance management assessment into the performance appraisal system to encourage all departments to actively support and cooperate with the compliance management.

Typical Cases of Compliance Training in 2021

- In July 2021** the Company carried out compliance training on the theme of the Impact of the Guarantee Law on the Credit Business in the Era of the Civil Code for business departments such as the margin financing and securities lending department and the pledge financing department with approximately 80 participants.
- In September 2021** the Company organized the "Front-line Compliance and Risk Control Bimonthly Training" for front-line compliance and risk control officers and other compliance personnel of its branches to communicate and exchange on matters such as responsibilities of the front-line compliance and risk control personnel, product sales, live broadcast control, Internet marketing and recent work priorities, with approximately 200 participants.



MANAGEMENT APPROACH AND KEY PERFORMANCE TABLE

This chapter focuses on disclosing the material topics that the Company is concerned about in the economic and corporate governance, social and environmental fields, and comprehensively expounds the Company's management approach, management actions, key performance and compliance status on each substantive issue, with a view to explain that the investors have a comprehensive understanding of the Company's ESG management capabilities and performance levels.

COMMUNICATION WITH STAKEHOLDERS AND ANALYSIS OF MATERIAL ISSUES

Communication with Stakeholders

Based on its business development strategy and operational characteristics, the Company identified key stakeholders such as government and regulatory authorities, investors, customers, employees, suppliers and partners, communities and the environment, and established a normalized communication mechanism with stakeholders to listen to and respond to stakeholders' expectations and demands.

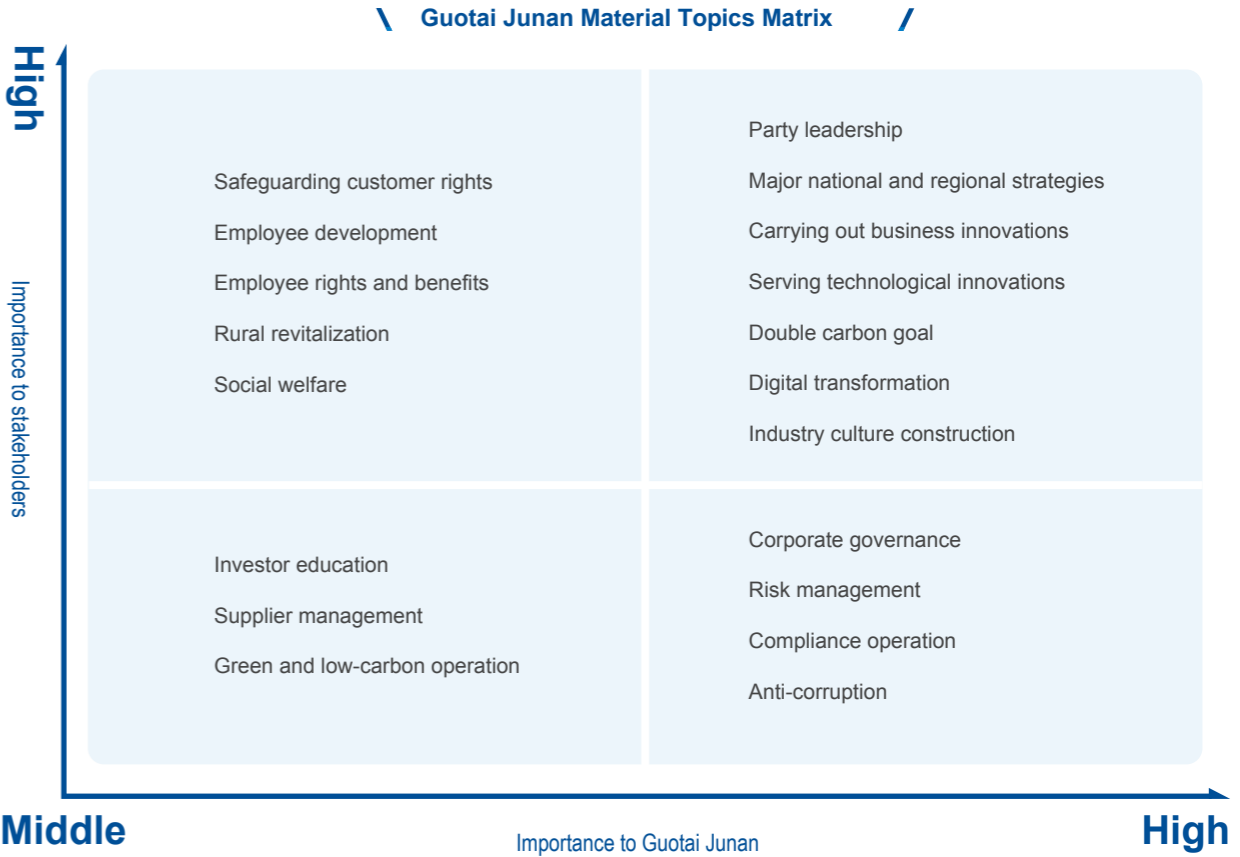
Stakeholders' Expectations and Demands

Key stakeholders	Issues of concern	Communication methods and channels
Government and regulatory authorities	Party leadership Major national and regional strategies Risk management Compliance operation Investor education Double carbon goal Industry culture construction	High-quality Party building leading high-quality development Carrying out information disclosure Receiving research visits Serving Shanghai's major strategic tasks Implementing government and regulatory policies Serving the goal of common prosperity Releasing carbon peak, carbon neutral action plan In-depth development of industry culture construction
Investors	Corporate governance Risk management Compliance operation Anti-corruption	Convening general meetings Improving corporate governance mechanism Strengthening information disclosure and investor communication Establishing a comprehensive risk management system Strengthening compliance operation and anti-money laundering management Improving the anti-corruption system

Customers	Safeguarding customer rights Serving technological innovations Investor education Digital transformation Carrying out business innovations	Providing high-quality investment and financing services Supporting the tech industry Promoting the implementation of digital transformation projects Optimized customer consultation and complaint handling mechanism Carrying out investor education activities Carrying out appropriateness Management Improving network security and customer privacy protection Upgrading Guotai Junan Junhong and Guotai Junan Vintex APP Public offering of REITs
Employees	Employee development Employee rights and benefits Industry culture construction	Promoting the talents to strengthen company strategy Improving the remuneration and welfare system Empowering employees' career development Optimizing the digital training system Carrying out employee care activities
Suppliers and partners	Supplier management Anti-corruption	Daily communication Promoting industry cooperation and communication Carrying out bidding activities Promoting anti-commercial bribery
Communities and the environment	Double carbon goal Rural revitalization Social welfare Green and low-carbon operation	Providing green investment and financing services Building a professional public welfare platform Carrying out public welfare volunteer activities Exploring the "finance + public welfare" model Implementing energy saving and emission reduction measures

Analysis of Substantive Issues

In 2021, the Company identified, prioritized and summarized 20 substantive social responsibility issues that are of great importance to the Company and stakeholders in accordance with GRI's "Global Sustainability Reporting Standards" and the Hong Kong Stock Exchange's "Environmental, Social and Governance Reporting Guidelines" for the definition process and methods of substantive issues., and disclosed key information on the management and performance of substantive issues in the ESG report of this year to better respond to the demands and expectations of stakeholders.



ECONOMICS AND CORPORATE GOVERNANCE SECTOR

Shareholder returns

The Company has specially stipulated the cash dividend ratio in the Articles of Association: (1) The annual dividends distributed in cash shall not be less than 15% of the distributable profits realized during the year; (2) If dividends are distributed in a combination of cash and stock, the dividends distributed in cash shall not be less than 20% of the actual dividends distributed. The Company mainly distributes dividends in cash, and the dividend ratio in the last three years exceeded 30%.

Dividend Performance Table

Indicators	Unit	2019	2020	2021
Amount of cash dividends	RMB 100 million	34.39	49.83	60.58
Net profit attributable to shareholders of the listed company	RMB 100 million	86.37	111.22	150.13
Dividend amount as a percentage of net profit	%	39.82	44.80	40.35

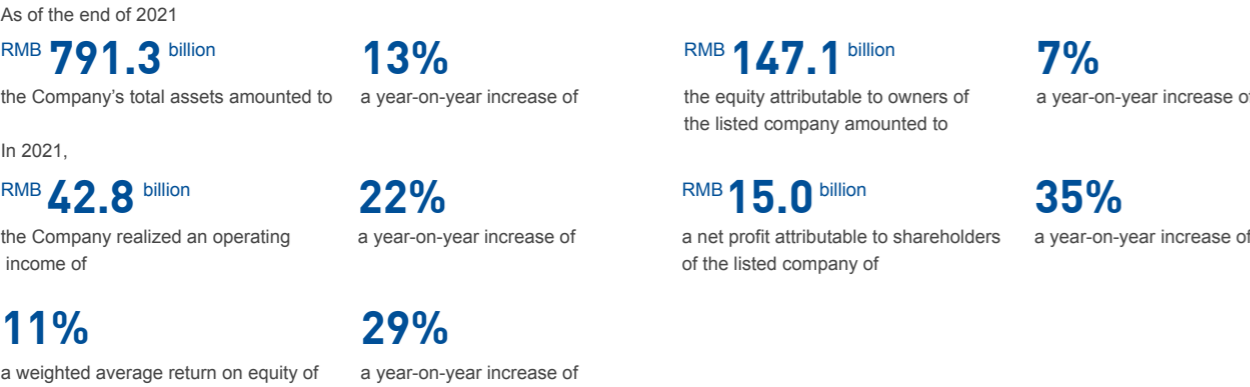
Protecting of creditors’ rights

In accordance with the relevant requirements of the CSRC and the securities self-regulatory organizations, the Company fulfills its information disclosure obligations through annual reports, interim reports and other periodic reports in a timely manner, and timely discloses major events that may affect its solvency or bond price during the duration of its bonds.

The Company has formulated the Rules of Bondholders' Meeting, established a repayment working group, gave full play to the role of bond trustee, strictly performed the obligation of information disclosure and ensured that the debt repayment guarantee measures were consistent with the relevant undertakings in the prospectus.

In 2021, the Company did not have any failure to pay principals and interests in time.

Economic performance



\\ Economic Performance Table /

Indicators	Unit	2019	2020	2021
Total operating income	RMB	29,949,311,773	35,200,282,406	42,817,138,705
Net profit	RMB	9,051,356,047	11,737,069,905	15,302,541,991
Total assets	RMB	559,314,278,319	702,899,172,246	791,272,814,529
Total tax payment	RMB	4,613,145,700	5,360,367,461	5,463,179,396
Employee compensation paid	RMB	6,967,906,512	7,250,995,672	8,726,199,596
Borrowing interest paid to creditors	RMB	7,403,449,853	8,804,653,548	10,162,410,511
Value created for other stakeholders such as external donations	RMB	3,187,815,392	4,002,290,479	5,571,656,949
Including: Total investment in external donations	RMB	35,622,655	38,824,484	51,012,479
Share capital as at the end of the period	RMB	8,907,948,159	8,908,448,211	8,908,449,523
Basic earnings per share	RMB	0.90	1.20	1.68
Social contribution value ^① per share	RMB	3.51	4.17	5.08

Note 1: [Calculation method] Social contribution value per share = (net profit + tax payment for the country during the year + wages paid to employees + borrowing interest paid to creditors such as banks + amount of value created by external donations and etc. for other stakeholders - other social costs caused by environmental pollution and etc.) / share capital as at the end of the period.

Anti-corruption

The Company attaches great importance to business integrity and anti-corruption management and has further promoted the construction of business integrity. According to the Requirements of Business Integrity of Securities and Futures Operating Institutions and Their Staff (《证券期货经营机构及其工作人员廉洁从业规定》), the Implementation Rules on Business Integrity of Securities Operating Institutions and Their Staff《证券经营机构及其工作人员廉洁从业实施细则》 and other laws, regulations and regulatory guidelines, the Company has formulated the Requirements of Business Integrity of Guotai Junan Securities Co., Ltd. (《国泰君安证券股份有限公司廉洁从业规定》), the Rules of the Joint Conference for the Supervision of the Construction of Business Integrity of Guotai Junan Securities Co., Ltd. (《国泰君安证券股份有限公司党风廉政建设监督工作联席会议规则》) and other rules and regulations to promoted the punishment on financial corruption and the prevention and control of financial risks, and strived to create an atmosphere for business integrity.

In 2021, the Company continued to strengthen the construction of business integrity culture by revising the business integrity management system, improving the important information reporting mechanism for business integrity, organizing and conducting self-inspection on business integrity, sorting out risk points and control measures for business integrity and carrying out compliance inspections for business integrity to build a solid line of defense that makes staff members "dare not to be corrupt", "can't be corrupt" and "don't want to be corrupt".

In order to further enhance employees' awareness of business integrity, the Company requires employees to sign the Employees' Integrity Commitment Letter, and continues to strengthen the promotion and training of business integrity. In October 2021, by relying on the E-learning online training system, the Company produced and released the training courseware "Key Points of Business Integrity for Securities Practitioners", and pushed or forwarded it to the Company's shareholders, directors, supervisors and employees for learning with an aim to further enhancing their awareness of integrity and self-discipline.

\\ Anti-commercial bribery and whistleblowing mechanism /

Anti-commercial bribery

The Company aims to eliminate any commercial bribery behavior, and clearly requires all relevant departments and employees to carry out anti-commercial bribery counseling and publicity works when dealing with shareholders, customers, suppliers and other stakeholders in the Requirements of Business Integrity of Guotai Junan Securities Co., Ltd. (《国泰君安证券股份有限公司廉洁从业规定》) and clearly inform them that they shall comply with the Company's requirements on business integrity and shall not convey or seek illegitimate benefits.

When the amount of purchased products or services exceeds RMB300,000, the Company requires the counterparty to sign an Integrity Commitment Letter or add anti-commercial bribery clauses in relevant agreements.

Whistleblowing
channels
and mechanism

According to the Notice on Improving the Reporting Mechanism of Important Business Integrity Information, the Company provides various whistleblowing channels, such as petition reports, telephone calls and emails, and requires all units to strictly implement the reporting requirements on business integrity. If any employee is found to be in violation of the requirements on business integrity, all relevant units shall report to the legal compliance department and the discipline inspection and supervision organization of the Company within 24 hours.

Protection of
whistleblowers

It is clearly stipulated in the Rules on Whistleblowing and Accusation Works of the Disciplinary Inspection and Supervision Team of Guotai Junan Securities that “for anonymous whistleblowing and accusation materials, it is not allowed to check the handwriting, Internet protocol address (IP address) and other information of the accuser without authorization” and “the whistleblower or accuser may file an application for protection if their legal rights are threatened or violated due to whistleblowing and accusation” in order to effectively protect the rights of whistleblowers.

\\ Anti-Corruption Performance Table /

Indicators	Unit	2019	2020	2021
Number of completed corruption lawsuits against the Group and its employees	Cases	0	0	0
Number of anti-corruption trainings conducted	Cases	46	26	73
Number of employees participated in anti-corruption-related training	Persons	6,827	717	5,722
Hours of anti-corruption training per employee	Hours	1.68	0.17	1.54
Number of directors participated in anti-corruption training	Persons	17	17	17

Anti-money laundering

The Company strictly fulfills the legal obligations of anti-money laundering. In accordance with the Anti-Money Laundering Law of the People's Republic of China, the Guidelines for the Risk Management of Money Laundering and Terrorist Financing in Corporate Financial Institutions (《法人金融机构洗钱和恐怖融资风险管理指引》), and the Administrative Measures for Customer Identification and Preservation of Customer Identity Information and Transaction Records by Financial Institutions (《金融机构客户身份识别和客户身份资料及交易记录保存管理办法》), and other laws and regulations, the Company has formulated internal management systems, such as the Measures for the Management of Money Laundering and Terrorist Financing Risks of Guotai Junan Securities Co., Ltd. (《国泰君安证券股份有限公司洗钱和恐怖融资风险管理办法》) and the Measures for the Management of Anti-Money Laundering Works of Guotai Junan Securities Co., Ltd. (《国泰君安证券股份有限公司反洗钱工作管理办法》), to improve its internal control mechanism for money laundering management and strengthened its capability to manage money laundering risks continuously.

In order to prevent customers' money laundering activities, the Company follows the principle of "know your customer" (KYC) and has formulated the Administrative Measures for Customer Identification and Preservation of Customer Identity Information and Transaction Records of Guotai Junan Securities Co., Ltd. (《国泰君安证券股份有限公司客户身份识别和客户身份资料及交易记录保存管理办法》), requiring relevant departments and employees to strictly identify customer identity information, transaction purpose, transaction nature and etc. in the course of business operation in order to improve the capability to identify anti-money laundering risks and strengthen the effectiveness of anti-money laundering works.

In order to improve the anti-money laundering awareness of all employees of the Company and further clarify the key points and requirements of daily anti-money laundering works, the Company carried out a special anti-money laundering labor competition for "consolidating the work foundation and building a strong defense line" from September 2020 to February 2021. The anti-money laundering publicity and creation competition and the special competition for standardizing and clearing existing accounts have continuously improved employees' anti-money laundering performance capabilities and formed a good atmosphere for working together to promote anti-money laundering.

In 2021, the Company was not subject to anti-money laundering-related penalties from regulators.

\\ Anti-Money Laundering Management Performance Table /

Indicators		Unit	2021
Anti-money Laundering Publicity and Creation Competition	Works received	Piece	208
	Promotional creation videos that won the "Excellent Work Award"	Piece	10
	Branch companies that won the "Excellent Organization Award"	Piece	6
Competition for Standardizing and Clearing Existing Accounts	Accounts that have completed re-identification works	Piece	390,921
	Securities branches that won the "Pioneer Team Award"	Piece	20
	Branch companies that won the "Excellent Work Award"	Piece	6

SOCIAL SECTOR

Employment and training of employees

The Company strictly abides by the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Employment Promotion Law of the People's Republic of China and other laws and regulations, and has clear rules and regulations on salary and dismissal, recruitment and promotion, working hours, leave, equal opportunities, diversification, anti-discrimination and other treatment and benefits of employees to effectively protect the basic rights and interests of employees. In 2021, the Company had no confirmed violations of laws and regulations in terms of employment and labor practices.

In order to prevent the occurrence of child labor and forced labor, the Company strictly abides by laws and regulations such as the Law on the Protection of Minors and the Provisions on Prohibition of the Use of Child Labor, strictly verifies the identity information of employees, and regularly checks the labor intensity to ensure that no related incidents occur.

In 2021, the Company had no violations of regulations on child labor and forced labor.

Regulations on Employment of Employees and Protection of Employees' Rights /

Protective Measures		Laws, Regulations and Internal Rules to Abide By
Employment of Employees	Equal employment: Abide by the employment policy of equal employment and equal pay for equal work, and do not restrict others from employment due to nationality, race, ethnicity, gender, age, marriage and childbirth, religion, disability and other factors	Laws and regulations: Special Provisions on Labor Protection for Female Employees, etc. Internal system: Special Collective Contract for the Protection of Special Rights and Interests of Female Workers, etc.
	Promoting diversity: Provide fair and equitable employment opportunities and development platforms for female employees, and promote the diversity of employees in terms of gender, age, professional background, etc.	
	Dismissal and termination: Establish legal and standardized dismissal and termination procedures, and clarify the terms and conditions of dismissal and termination Rights and interests of female employees: The Special Collective Contract for the Protection of Special Rights and Interests of Female Employees specifically stipulates the protection of labor rights and interests of female employees	

Working Hours and Leave	Working hours: Standard working hour system with general working hours being 8:30 a.m. to 11:30 a.m. and 13:00 p.m. to 17:00 p.m. Leave management: Statutory holidays, annual leave, medical leave, marriage leave, maternity leave, etc.	Laws and regulations: Regulations on Paid Annual Leave for Employees, National Holidays and Memorial Day Holiday Measures Internal system: Administrative Measures for Staff Attendance (2018) and Administrative Measures for Staff Leave (2018)
Compensation and Benefits	Welfare package: Timely and full payment of social insurance and housing provident funds, and supplementary benefits such as supplementary medical insurance and enterprise annuity plan Compensation system: Guided by position value and capability and oriented by performance and achievements, a compensation system with "internal fairness and external competition" is established to improve the utilization efficiency of compensation resources, motivate outstanding employees and achieve the purpose of retaining and attracting outstanding talents	Laws and regulations: Wage Payment Method for Enterprises in Shanghai, etc. Internal systems: Enterprise Annuity Plan of Guotai Junan Securities Co., Ltd. (2019 Revision) and Remuneration Management Measures (2018)
Labor Relationship	Labor protection: The general meeting of staff representatives reviews and authorizes the execution of collective contracts, special collective contracts for wages and collective contracts for the protection of special rights and interests of female employees, and a labor dispute mediation committee is established to mediate labor disputes between employees and the Company	Laws and regulations: Trade Union Law of the People's Republic of China Internal system: Collective Contract, Special Collective Contract for Wage
Democratic Communication	General meeting of staff representatives: Protect the legitimate rights and interests of staff representatives in exercising their democratic rights and implementing democratic management. In 2021, the Company organized several general meetings of staff representatives to review and approve proposals such as the Report on the Use of Training Funds in 2020 and the Supplementary Medical Insurance Plan for Employees	Internal system: Working Regulations for the General Meeting of Staff Representatives of Guotai Junan Securities Co., Ltd. (2019)

\ Employee Employment Performance Table /

Indicators		Unit	2021
Total number of employees		Persons	13,341
By gender	Male	Persons	7,378
	Female	Persons	5,963
By type of employment	Number of full-time contracted employees	Persons	13,170
	Number of full-time dispatched employees	Persons	171
By age group	<30 years of age	Persons	3,901
	30 to 50 years of age	Persons	8,474
	>50 years of age	Persons	966
By region	Mainland China	Persons	12,513
	Hong Kong, Macau, Taiwan and overseas	Persons	828
By education level	PhD	Persons	144
	Master	Persons	4,487
	Undergraduate	Persons	6,937
	College and below	Persons	1,773
Number of male employees in management		Persons	404
Number of female employees in management		Persons	237
Number of minority employees		Persons	514
Newly recruited fresh graduates		Persons	982
Labor contract signing rate		%	100
Employee discrimination incidents		Cases	0
Total number of new employees		Persons	1,726
By gender	Male	Persons	1,028
	Female	Persons	698
By age group	<30 years of age	Persons	983
	30 to 50 years of age	Persons	739
	>50 years of age	Persons	4
By region	Mainland China	Persons	1,491
	Hong Kong, Macau, Taiwan and overseas	Persons	235
Turnover rate of employees ^①		%	9.51
By gender	Male	%	10.15
	Female	%	8.72
By age group	<30 years of age	%	14.79
	30 to 50 years of age	%	7.85
	>50 years of age	%	2.80
By region	Mainland China	%	8.54
	Hong Kong, Macau, Taiwan and overseas	%	24.28

Note 1: [calculation method] Turnover rate of employees in each category = number of employees lost in each category during the year / number of employees in each category as at the end of the year.

\ Employee Training Performance Table /

Indicators		Unit	2019	2020	2021
Total expenditure on employee training		RMB 0'000	1,563.27	815.41	1,561.00
Employee training person-times		Person-times	644,941	659,527	781,116
Coverage rate of employee training ^①		%	93.91	87.75	90.75
By gender	Male	%	53.42	53.53	53.19
	Female	%	46.58	46.47	46.81
By employee category	Senior management	%	0.10	0.15	0.09
	Mid-level management	%	3.56	2.65	2.71
	General employee	%	96.34	97.21	97.20
Annual training hours per employee ^②		Hours	50.25	49.28	49.87
By gender	Male	Hours	48.61	45.56	48.09
	Female	Hours	52.18	53.72	51.93
By employee category	Senior management	Hours	14.40	32.86	8.98
	Mid-level management	Hours	54.20	32.40	34.07
	General employee	Hours	50.17	49.85	50.48

Note 1: [Calculation method] Training coverage rate of each employee category = the number of employees of each category who received training/the total number of employees who received training.

Note 2: [Calculation method] Annual training hours per employee of each category = the total number of training hours for employees of each category/the number of employees of each category.

Occupational Health and Safety

The Company is a financial enterprise and does not involve occupational hazards such as dust, noise, and radioactive substances.

The Company is committed to create a safe, healthy and friendly workplace for employees and effectively protect the health and safety of employees. In terms of ensuring the safety of workplace, the Company conducts quarterly safety inspections in workplace to comprehensively investigate and promptly rectify major production safety hazards, fire safety hazards and other safety hazards, and has set up a health room equipped with defibrillators and daily medication to prevent unexpected emergencies that may endanger employees' health. In 2021, the Company organized more than 60 employees to participate in 2 first aid trainings to further strengthen the safety and health defense line of the Company's workplace.

The Company strives to improve the physical and mental health of its employees. It organizes all employees and retired employees to conduct health examinations every year, and provides a psychological consultation room and a psychological consultation service hotline to help employees understand their physical and psychological conditions in a timely manner. In 2021, the Company assisted the Shanghai Financial Union to hold a special lecture on the "Mental and Physical Health of Financial Workers" to comprehensively improve employees' self-protection awareness.

In 2021, the Company had no violations related to occupational health of employees.

\ Occupational Health and Safety Performance Indicators Table /

Indicators	Unit	2021
Coverage rate of employee physical examination ^①	%	100
Number of work-related injuries	Cases	3
Number of working days lost due to work-related injuries	Days	67
Number of employees who died due to work-related injuries	Persons	0

Note 1: [Calculation method] Coverage rate of employee physical examination = number of employees participating in physical examination during the year/total number of employees at the end of the year.

Supplier management

The Company continued to strengthen the intensification, normalization and standardization of procurement management, and has formulated supplier management systems such as Project and Procurement Management Measures and Centralized Procurement Management Measures, established an industry-leading centralized procurement platform and standardized project approval, development and construction, as well as the implementation process of procurement activities, in order to control and prevent risks in project development and implementation and procurement activities and comprehensively identify and monitor suppliers' performance in issues involving environmental, labor, corruption and other environmental and social risks.

The Company maintains good communication and cooperation with suppliers, regularly evaluates suppliers' products, quotations, services and performance, and ensures the quality of projects and purchased products or services while reducing costs as much as possible. Meanwhile, the Company actively implements the concept of green procurement, and gives priority to suppliers that comply with energy conservation, environmental protection and green concepts.

Customer service

The Company has formed a standardized and complete closed-loop process in handling customer complaints, which comprises "complaint acceptance - pre-processing - upgraded processing - circulation and distribution - processing follow-up - customer feedback", and has intensified the supervision of customer complaint management in branches. The Company has established a complete customer consultation channel, customer complaint feedback and handling and standardized marketing mechanism to provide customers with high-quality and appropriate financial products and services and effectively protect the rights and interests of customers.

In terms of financial product sales and promotion, the Company strictly complies with the requirements of laws and regulations on the marketing and promotion of consigned financial products and the content of publicity and promotion materials, and has formulated multi-level management systems and guidelines to strictly regulate the publicity and promotion behaviors of the marketing staff of the Company.

\ Standardizing marketing management mechanism /

Laws and regulations to abide by	Advertising Law, Regulations on the Administration of Agency Sales of Financial Products by Securities Companies, Measures for the Supervision and Administration of Selling Institutions of Publicly Offered Securities Investment Funds, Interim Provisions on the Administration of Publicity and Promotion Materials of Publicly Offered Securities Investment Funds, etc.
Management systems formulated Administrative Measures adopted	Administrative Measures for Agency Sale of Financial Products of Guotai Junan Securities Co., Ltd., Implementation Rules for the Management of Agency Sale of Financial Products of Guotai Junan Securities Co., Ltd., Implementation Rules for Investor Suitability Management in Financial Product Selling Business of Guotai Junan Securities Co., Ltd., Publicity and Compliance Operation Guidelines for Agency Sale of Financial Products of Guotai Junan Securities Co., Ltd., etc.
Administrative Measures adopted	Marketing staff are strictly prohibited to promote financial products to customers by improper means such as exaggerating performance, secretly changing concepts and making guarantee commitments Marketing staff are required to fully and objectively disclose product-related element information to customers and conduct a complete risk disclosure The information of all consigned financial products shall be fully disclosed through the special forum on the official website for agency sales of financial products, Jun Hong APP and other channels to ensure customers can get authentic and complete product information In the regular follow-up visits for the agency sale of financial products, questions shall be set to make sure if illegal recommendations have been made by the Company's employees

\ Customer Service Performance Indicators Table /

Indicators	Unit	2019	2020	2021
Number of customer inquiries ^①	0,000 cases	224.09	331.67	339.62
Of which: the number of complaints	Cases	—	2,296	964
Proportion of complaints solved	%	—	100	100
Number of confirmed complaints about infringement of customers' privacy and loss of customer data	Cases	0	0	0

Note 1: the number of customer inquiries includes inquiries made by way of telephone, online customer service and Lingxi intelligent customer service.

Intellectual Property Protection

The Company strictly abides by the Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China, the Copyright Law of the People's Republic of China and other laws and regulations, and has formulated the Intellectual Property Management Rules of Guotai Junan Securities Co., Ltd. and established a multi-department collaborative intellectual property management team to clarify the declaration process and dispute resolution mechanism for intellectual property rights in relation to trademarks, domain names, patents and works, which helps to effectively strengthen intellectual property management and prevent risks of intellectual property infringement.

Community Investment

The Company actively carried out public welfare and volunteer service activities. In 2021, the community investment of the Company amounted to RMB**30.6235** million, the number of employees providing volunteer services amounted to **1,037** and the total number of hours of volunteer services provided by employees amounted to **4,055.2**.

Customer Service Performance Indicators Table

Indicators	Unit	2019	2020	2021
Amount of community investment ¹	RMB thousand	21,869.7	32,969.1	30,623.5
Number of employees providing volunteer services ²	Person	654	1,601	1,037
Total number of hours of volunteer services provided by employees	Hour	673.7	6,537.3	4,055.2

Note 1: Including the community investment by Guotai Junan Financial Holdings and its subsidiary Guotai Junan International with the reference exchange rate of HK\$1 to approximately RMB0.82 (31 December 2021).

ENVIRONMENTAL SECTOR

Green and Low-Carbon Operation

The Company actively practiced the concept of “green office”, complied with the Environmental Protection Law of the People's Republic of China and other laws and regulations, and implemented a number of resource conservation, energy conservation and emission reduction measures to minimize its impact on the environment.

As a financial service institution, the Company's energy consumption primarily arises from electricity and natural gas consumed during its operation of business and gasoline used by its business vehicles; material consumption mainly arises from paper consumption during the printing and copying of contract documents in the office process; and water consumption primarily arises from the office process. Municipal water is used as the main source and there is no difficulty in obtaining water. The Company has taken extensive measures such as water conservation education and facility inspections to control and minimize water consumption per employee.

The non-hazardous wastes produced by the Company are primarily waste paper and household waste. The hazardous wastes produced include waste electronic products, toner cartridges and ink cartridges, and the waste water produced includes domestic waste water produced in the office process. The Company adheres to the concept of recycling and harmless disposal to manage wastes and wastewater, promotes recycling of recyclable materials through garbage classification, uniformly removes and transports office waste by the property management company and engages qualified service provider for recycling, disposal or reuse of hazardous wastes and discharges domestic wastewater into the municipal sewage pipe network. The Company will further control the amount of non-hazardous and hazardous wastes to a lower level through source control and strengthening statistics on waste generation.

In 2021, the Company was not punished for environmental violations, nor did it receive any environmental complaints.

Environmental Key Performance Indicators Table

Indicators	Unit	2021
Total greenhouse gas emissions ² (Scope 1 and Scope 2)	Ton of carbon dioxide equivalent	39,174.95
-Including Scope 1 greenhouse gas emissions	Ton of carbon dioxide equivalent	3,054.07
-Including Scope 2 greenhouse gas emissions	Ton of carbon dioxide equivalent	36,120.88
Greenhouse gas emissions per employee	Ton of carbon dioxide equivalent per employee	2.94
Greenhouse gas emissions per unit area	Ton of carbon dioxide equivalent per square meter	0.09
Gasoline consumption by own vehicles	Liter	888,358.87
Total natural gas consumption	Cubic meter	299,565.00
Natural gas consumption per employee	Cubic meter per employee	22.45
Natural gas consumption per unit area	Cubic meter per square meter	0.71
Total electricity consumption	KWh	61,905,744.94
Electricity consumption per employee	KWh per employee	4,640.26
Electricity consumption per unit area	KWh per square meter	147.58
Total water consumption	Cubic meter	259,800.33
Water consumption per employee	Cubic meter per employee	19.47
Water consumption per unit area	Cubic meter per square meter	0.62

Note 1: [Statistical caliber] headquarters and branches Guotai Junan, and its subsidiaries, Zhengyu Investment, Guotai Junan Innovation Investment, Guotai Junan Futures, Guotai Junan Asset Management and Guotai Junan Financial Holdings (including Guotai Junan International).

Note 2: [Calculation method] The calculation scope of greenhouse gas emissions is the direct greenhouse gas emissions generated by the Company's natural gas consumption and gasoline consumption of its own vehicles, and indirect greenhouse gas emissions generated by purchased electricity. The calculation is made with National grid emission factors issued by the Ministry of ecology and environment in the guidelines for accounting methods and reporting of greenhouse gas emissions of enterprises power generation facilities (revised version in 2022), the "How to Prepare an Environmental, Social and Governance Report Appendix II: Guidelines for Reporting Environmental Key Performance Indicators" (May 2021) of the Hong Kong Stock Exchange and the "Urban Greenhouse Gas Accounting Tool 2.0" published by the World Resources Institute.

AWARDS AND RECOGNITION



Issuing body	Award
SASAC of the State Council	Model Enterprise for State-owned Enterprise Corporate Governance (國有企業公司治理示範企業)
CSRC	AA Regulatory Rating in Class A (A類AA級監管評級)
Securities Association of Chin	Class A rating for Evaluation on Industry Culture Construction (行業文化建設實踐評估A類評級) Securities and Futures Science and Technology Award (證券期貨科學技術獎)
Research Association of Ideological and Political Work of China Financial Institutions (中國金融思想政治工作研究會)	2020-2021 Outstanding Unit for Ideological and Political Work in the National Financial System (2020-2021全國金融系統思想政治工作優秀單位) Top 100 Outstanding Party building Cases in the National Financial System in the New Era (Rong·Party building) (新時代全國金融系統黨建百優案例 (融·黨建))
SASAC of Shanghai	Outstanding Case of Party History Learning and Education (Cases of “Relaying the Party’s History”, Practicing the Concept of “Finance for the People” and Protecting the Safety of Investors)(黨史學習教育優秀案例 (“接力講黨史”、踐行“金融為民”理念、守護投資者安全等案例))
Shanghai Municipal Government Cyber Security Work Conference (上海市政府網絡安全工作會議)	2021 Advanced Unit of Shanghai Cyber Security Work (2021年度上海市網路安全工作先進單位)
CFi.CN (中國財經網)	2021 Outstanding Cases of Rural Revitalization (Based on Educational Development, Promoting Rural Revitalization) (2021鄉村振興優秀案例 (立足教育發展，推動鄉村振興))
China Securities Journal	Golden Bull Securities Company (金牛證券公司) Securities Company Social Responsibility Award (證券公司社會責任獎) Securities Industry Cultural Construction (證券行業文化建設) Golden Bull Wealth Management Team (金牛財富管理團隊) Golden Bull Investment Banking Team (金牛投資銀行團隊) Securities Company Fin-tech Award (證券公司金融科技獎)
China Business. China Business Future (中國經營報·中經未來)	2021 ESG Responsible Enterprise (2021年度ESG責任企業)
Securities Times ·Brokerage China (證券時報·券商中國)	2021 China Securities Industry All-round Wealth Management Broker (2021中國證券業全能財富管理經紀商) 2021 China Securities Industry All-round Investment Bank (2021中國證券業全能投行) 2021 China Securities Industry All-round Asset Management Agency (2021中國證券業全能資管機構)
China Fund News	China's Best Brokerage Asset Management Agency Award (中國最佳券商資管機構獎) China's Best Equity Brokerage Asset Management Award (中國最佳權益類券商資管獎) China Best Fixed Income Brokerage Asset Management Award (中國最佳固收類券商資管獎) China Best ABS Brokerage Asset Management Award (中國最佳ABS類券商資管獎)
National Business Daily	Best Bond Underwriter for A Shares (A股最佳債券承銷商)
Caijing Magazine	2021 Science and Technology Innovation Board Most Contributing Institution (2021科創板最具貢獻機構)
Association for Talent Development (ATD)	2021-2022 Global ATD Outstanding Talent Development Practice Award (2021-2022年度全球ATD卓越人才發展實踐獎)

Moody	International ESG Credit Rating (One of the first three Chinese securities companies in the world to be shortlisted for Moody's ESG rating standards) (國際ESG信用評級 (全球首批入圍穆迪ESG評級標準的3家中資証券公司之一)
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DEFINITIONS

In this report, unless the context otherwise requires, the following terms and expressions have the meanings set forth below:

Proposed Disclosure	Chapter Index
Articles of Association/Articles	the articles of association of Guotai Junan Securities Co., Ltd.
CSRC	China Securities Regulatory Commission (中國証券監督管理委員會)
SSE/Shanghai Stock Exchange	Shanghai Stock Exchange
SZSE/Shenzhen Stock Exchange	Shenzhen Stock Exchange
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
GFEX	Guangzhou Futures Exchange
Guotai Junan Asset Management	Shanghai Guotai Junan Securities Asset Management Co., Ltd. (上海國泰君安証券資產管理有限公司)
Guotai Junan Futures	Guotai Junan Futures Co., Ltd. (國泰君安期貨有限公司)
Guotai Junan Financial Holdings	Guotai Junan Financial Holdings Co., Ltd. (國泰君安金融控股有限公司)
Hong Kong Subsidiaries	Guotai Junan Financial Holdings Co., Ltd. and its controlled subsidiaries
Guotai Junan International	Guotai Junan International Holdings Limited (國泰君安國際控股有限公司), controlled by Guotai Junan Financial Holdings Co., Ltd. and a public company listed on the Hong Kong Stock Exchange
Guotai Junan Innovation Investment	Guotai Junan Innovation Investment Co., Ltd. (國泰君安創新投資有限公司)
Guotai Junan Zhengyu	Guotai Junan Zhengyu Investment Co., Ltd. (國泰君安証裕投資有限公司)
HuaAn Funds	HuaAn Funds Management Co., Ltd. (華安基金管理有限公司)
Guoxiang Properties	Shanghai Guoxiang Properties Co., Ltd. (上海國翔置業有限公司)
Company Law	the Company Law of the PRC
Securities Law	the Securities Law of the PRC
SSE Listing Rules	The Rules Governing the Listing of Stocks on the Shanghai Stock Exchange
Hong Kong Listing Rules	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
A Shares	domestic shares of the Company, with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange and traded in RMB
H Shares	overseas listed foreign shares of the Company, with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars

FICC	Fixed Income, Currencies and Commodities
CCER	Chinese Certified Emission Reduction
CSR	Corporate Social Responsibility
ESG	Environmental, Social and Corporate Governance
Jun Hong APP	APP serving retail customers
Guotai Junan Social Welfare Foundation	Shanghai Guotai Junan Social Welfare Foundation

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NOTES ON PREPARATION OF THE REPORT

This report is the eighth ESG report issued by Guotai Junan Securities Co., Ltd. (the “Company”, “Guotai Junan” or “Guotai Junan Securities”) and its subsidiaries (collectively, “we”) and is intended to disclose to all stakeholders the strategies, actions and results in terms of the Company’s active undertaking of economic, social and environmental responsibility.

Scope of this Report

Coverage of the report: Consistent with the scope of the Company’s annual consolidated financial statements.

Reporting period: 1 January 2021 to 31 December 2021.

Reporting cycle: This report is an annual report and the previous report is 2020 annual report.

Basis for the preparation of the report

The report has been prepared in accordance with the Guidelines for the Self-regulation of Listed Companies on the Shanghai Stock Exchange No. 1 - Standardized Operation (2022) issued by the Shanghai Stock Exchange and Appendix 27 of the Listing Rules of the Hong Kong Stock Exchange Environmental, Social and Governance Reporting Guide (Effective from 1 January 2022) and with reference to CSRC’s Standards for the Content and Format of Information Disclosure by Companies Offering Securities to the Public No. 2 - Content and Format of Annual Reports (Revised in 2021) and the Global Reporting Initiative’s Sustainability Reporting Standards (2016) (GRI Standards) and other standards, and the disclosure of each indicator can be found in the “Report Index”.

Reporting principles

Materiality: Through materiality analysis, the report identifies material topics that need to be addressed, and primarily reports on matters that may have a significant impact on investors and other stakeholders in terms of environmental, social and corporate governance.

Quantitative: The report discloses key quantitative performance indicators, explains the meaning of the indicators and describes the basis for calculation and assumptions in order to evaluate and validate the effectiveness of environmental, social and corporate governance policies and management systems.

Balance: The content of the report reflects objective facts in an impartial manner, and information and performance, whether positive or negative, are disclosed to avoid choices, omissions or reporting formats that may unduly influence the decisions or judgments of the readers of the report.

Consistency: The report clearly states the statistical methods and statistical calibers of the ESG key quantitative performance indicators disclosed, and also ensures that the indicators and calculation methods in different reporting periods are consistent to reflect the trend of performance levels.

Description of report information

The information and cases in the report come from the original records or financial reports of Guotai Junan and its subsidiaries. Unless otherwise specified, the financial information in the report is in RMB. If there is any inconsistency with the financial report, the financial report shall prevail. Unless otherwise specified, the statistical caliber of the relevant text and data in the report is consistent with the scope of the Company’s financial statements.

Access the report

This report is published as a PDF electronic file at:

Website of Shanghai Stock Exchange at <http://www.sse.com.cn>

Website of The Stock Exchange of Hong Kong Limited at <http://www.hkexnews.hk>

Website of the Company at <http://www.gtja.com>

