

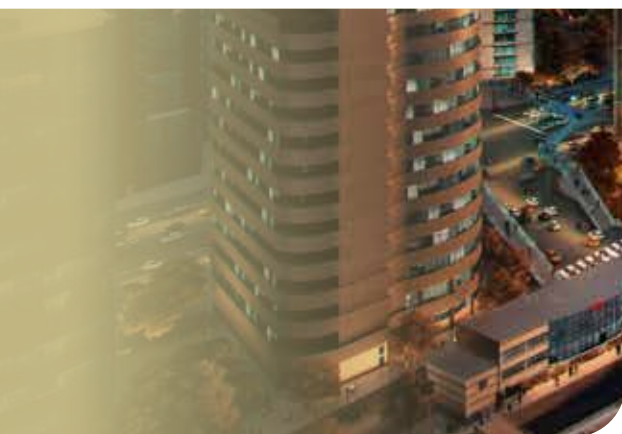
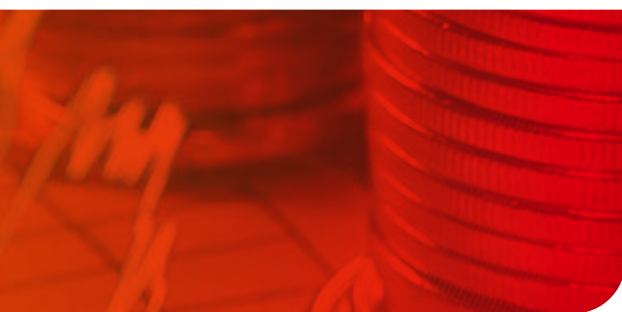


东方证券

— D F Z Q —

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

Stock code: 03958



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STATEMENT OF THE BOARD ON ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) MANAGEMENT

The year 2021 is a monumental year in the history of the Party and China where the “Two Centenaries” intersected, the Communist Party of China welcomed its 100th anniversary, the “14th Five-Year” plan commenced implementation and China embarked on a new journey of comprehensively building a modern socialist country. During the year, under the guidance of Xi Jinping’s thought on socialism with Chinese characteristics for a new era, DFZQ made a good start to the “14th Five-Year Plan” period by serving the national strategy and fulfilling its responsibilities in the new development stage.

The Company always attaches great importance to ESG management and actions, and is committed to creating sustainable and comprehensive value for stakeholders including shareholders, customers, employees, government and regulatory authorities, partners, environmental communities through the provision of high-quality comprehensive financial services under the concept of “Enjoying Beautiful Life”. In 2021, the Company officially established the Sustainable Development Committee to integrate sustainable development with the Company’s strategic development and to coordinate and promote ESG management. In addition, the Company published its own sustainable development plan, set targets in four major aspects of governance, economy, environment and society, and further specified the overall objectives, work priorities and action plans for the Company’s sustainable development during the “14th Five-Year Plan” period.

With regard to governance, the Company continued to improve its governance structure, put more emphasis on compliance and risk control, and continuously strengthened ESG risk management in business operations, thereby laying solid foundation for sustainable development with effective corporate governance. The Company actively implemented the requirements of the industry cultural construction work, and solidly facilitated the comprehensive implementation of the industry culture of “compliance, integrity, professionalism and stability” in the Company to forge “soft power” for high-quality development.

In economy aspect, the Company adhered to its original intention of “financial services for the public” and focused on the mission of serving the real economy through financial services to facilitate the development of innovative technology enterprises, private enterprises and small and medium-sized enterprises. The Company also actively practiced the concept of responsible investment, incorporated ESG factors into its investment and financing business and expanded the positive impact of financial services on the environment and society. In addition, the Company continuously improved its customer service capabilities and quality, provided more professional and accurate financial services and protected the legitimate rights and interests of investors with the aid of financial technology.

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For environmental protection, the Company advocated and promoted low-carbon and environmentally friendly business concepts and work practices, and carried out a variety of internal and external activities on environmental protection to encourage employees, customers and the general public to practice sustainable lifestyles and consumption behaviour. Meanwhile, as a financial company, the Company leveraged its financial expertise to support green industries or enterprises in their green transformation through investment and financing. In 2021, the Company issued the “Target and Action Plan for Carbon Neutrality”, published the Company’s first “Carbon Neutrality Index”, and established the “Orient Securities Sustainable Development Forum Series” with focus on ESG investment, green opportunities and other topics, contributing to the national goals of “carbon peak” and “carbon neutrality” with practical actions.

In the social aspect, the Company upheld a people-oriented “family” culture, built a professional talent cultivation system and development channel, and created a positive, inclusive, happy and energetic workplace. The Company continued to put efforts in consolidating and expanding the achievements of poverty alleviation and rural revitalisation with focus on industry assistance, education assistance, consumption assistance, financial assistance and other aspects, and continued to expand the influence of our projects such as the “Dongfang Guniang”, “Dongfanghong Yi Black Tea” and “Xindeyizhang Art Classroom”. In addition, based on the Xindeyizhang Public Welfare Foundation, the Company focused on protection of traditional Chinese culture, contributed to the inheritance and promotion of Chinese culture through “A Beautiful City in Western China | Dunhuang” and other projects, strengthened cultural confidence, focused on the development of children’s art education, inspired the children in remote areas to appreciate the power of culture and art, and also provided a platform for staff to participate in voluntary services.

Looking into the Future, the Company will continue to adhere its mission of providing high-quality comprehensive financial services for the real economy and social wealth management and providing both material and spiritual rewards for shareholders, employees and the society, actively participate in the national strategy and support the overall economic and social development, march forward with determination and perseverance, and facilitate the high-quality development of the capital market with its own high-quality development, thereby making positive contribution to economic and social development.

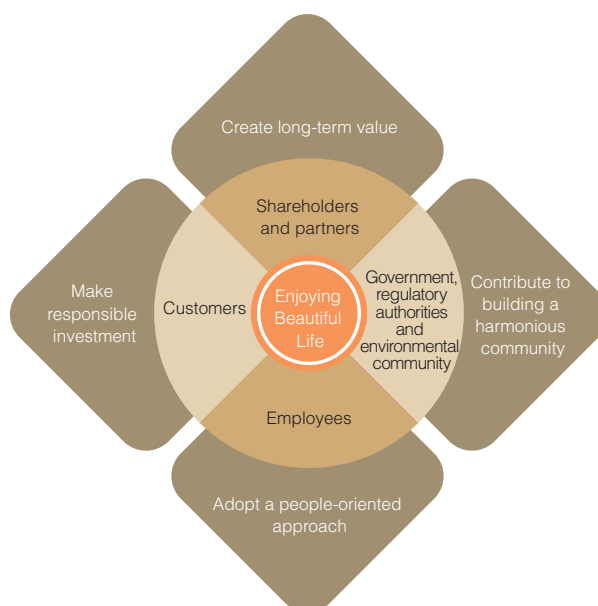
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1. SUSTAINABLE DEVELOPMENT MANAGEMENT

1.1 Sustainable Development Philosophy

Upholding the idea of “Enjoying Beautiful Life”, DFZQ strives to provide high-quality and comprehensive financial services to create long-term value, make responsible investment, adopt a people-oriented approach and contribute to building a harmonious community, thereby generating sustainable and comprehensive value for stakeholders including shareholders, customers, employees, government and regulatory authorities, partners, and environmental community.

Sustainable Development Model of DFZQ



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Explanation of objectives and actions for sustainable development of DFZQ

Stakeholders	Objectives	Actions
Shareholders and partners	Create long-term value	Through compliance management, honest operation and standardized governance, the Company will achieve stable development, provide long-term returns to shareholders and cooperate with shareholders, suppliers and partners to achieve a win-win situation.
Customers	Make responsible investment	The Company will fully utilize its advantages in comprehensive financial services to provide professional, efficient, caring and high-quality services to support the real economy and green industries, and contribute to achieving the national goals of peaking carbon emissions before 2030 and achieving carbon neutrality before 2060.
Employees	Adopt a people-oriented approach	The Company upholds a people-oriented “family” culture and builds a positive, inclusive, happy and energetic workplace to develop with its staff.
Government, regulatory authorities and environmental community	Contribute to building a harmonious community	The Company actively responds to the government’s call and the industry’s advocacy, proactively serves the national strategy through compliant operation and stable development, actively fulfills its social responsibility, promotes green operations, creates a more harmonious and better environmental community and supports sustainable social development.

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1.2 Sustainable Development Management

Formulating sustainable development plans and targets

In 2021, in order to further specify the overall objectives, priorities and action plans for the Company's sustainable development during the "14th Five-Year Plan" period, the Company set sustainable development objectives in the four major areas of governance, economy, environment and society under the guidance of the sustainable development philosophy, and made plans for core actions as the basis for management decisions, system updates and actions for the Company's sustainable development work.

Governance: Establishing a target-oriented governance structure for sustainable development

Our target	Our actions
<p>Achieve 100% sustainability performance assessment coverage by 2025.</p> <p><i>Note:</i> Sustainability performance includes culture construction performance and corporate sustainability management performance, etc.</p>	<ul style="list-style-type: none"> • Improve sustainability governance structure and enhance operational efficiency • Integrate ESG into the Company's overall risk management • Incorporate industry culture construction and sustainable development performance into assessment and incentive policies

Economy: Expanding the positive impact of financial services on the society and the environment

Our target	Our actions
<p>During the "14th Five-Year Plan" period (2021-2025), we will channel RMB450 billion into sustainable development sector through investment and financing business, and maintain the average annual growth rate of sustainable investment and financing at a minimum of 9%.</p> <p><i>Note:</i> Statistics on sustainable investment and financing targets include investment and financing amounts in areas such as energy conservation and environmental protection, clean production, clean energy and green upgrading of infrastructure, which are the focus of support at the environmental level, as well as consolidating poverty alleviation achievements and facilitating rural revitalization at the social level. In particular, the sustainable investment amount represents the point-in-time data up to the end of 2025, and the sustainable financing amount represents the total amount from 2021 to 2025. The Company will also make dynamic adjustments to this target in the future based on business development.</p>	<ul style="list-style-type: none"> • Incorporate ESG factors into consideration for investment and financing business • Improve the accessibility of financial services for individuals and small-sized enterprises • Protect investors and safeguard data security and user privacy

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Environment: Supporting the targets of carbon peaking and carbon neutrality

Our target	Our actions
<p>Strive to achieve carbon neutrality on direct operations by 2025;</p> <p>Strive to achieve net zero emissions from the investment portfolio by 2060.</p> <p><i>Note:</i>The Company's 2025 carbon neutrality target for operating activities covers Scope 1 (including carbon emissions from the combustion of natural gas, petrol and diesel in its own vehicles), Scope 2 (including carbon emissions from purchased electricity), and part of Scope 3 (including carbon emissions from leased data centres and staff business travel).</p>	<ul style="list-style-type: none"> • Actively promote green operations • Innovate green financial products and publish carbon neutrality index • Lead more enterprises to promote carbon neutrality through investment and financing, advisory and other financial services • Encourage related parties to adopt green lifestyle

Society: Working with partners to build a better society

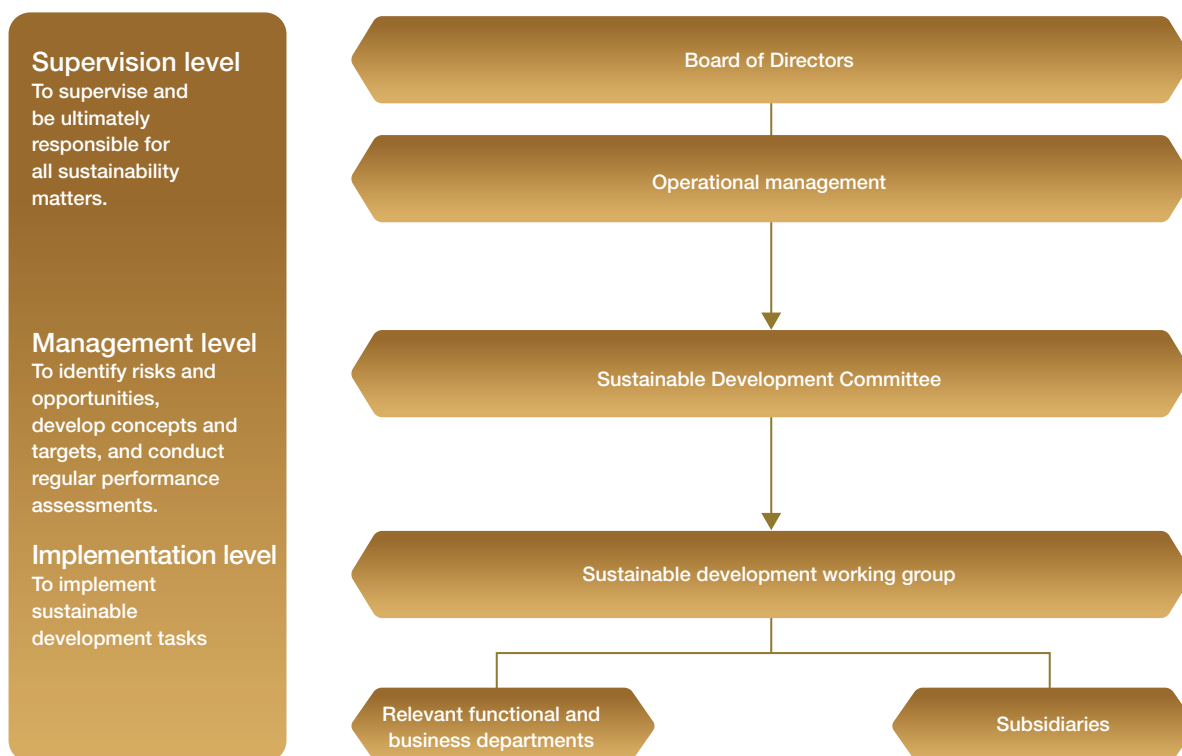
Our target	Our actions
<p>During the "14th Five-Year Plan" period (2021-2025), the Group will invest over RMB100 million in social welfare, and the voluntary service coverage rate of employees will reach 30%.</p> <p><i>Note:</i>Investment in social welfare includes public welfare foundation expenditure and expenditure in targeted poverty alleviation, environmental protection projects and other public welfare projects.</p>	<ul style="list-style-type: none"> • Support national strategies and promote rural revitalization • Engage in social welfare activities and motivate employees and customers to participate in public welfare actions • Create a positive and active workplace for employees

Improving the sustainable development management structure

At the beginning of 2021, the Company further improved its sustainable development management structure based on years of efforts in sustainable development, established the Sustainable Development Committee, integrated sustainable development with the Company's strategic development, coordinated and promoted ESG work, and enhanced the effectiveness of ESG management.

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Sustainable development structure of DFZQ



In 2021, the Company held two meetings of the working group under the Sustainable Development Committee and considered and approved the Rules of Procedure of the Sustainable Development Committee (《可持續發展專業委員會議事規則》), the Sustainable Development Philosophy (《可持續發展理念》) and the Sustainable Development Plan (《可持續發展規劃》), which enabled the standardized and effective implementation of the Company's sustainable development work, and also demonstrated the Company's confidence and determination in sustainable development to internal and external stakeholders.

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1.3 Communication with Stakeholders and Identification of Material Topics

Communication with stakeholders

The Company always considers corporate social responsibility as an integral part of its overall operations, and has established a regular communication mechanism with six major stakeholders, being shareholders and investors, customers, employees, government and regulators, suppliers and partners and community, and has also incorporated the demands of various stakeholders into the operation and decision-making process to create value for all parties.

Stakeholders	Issues concerned	Ways and channels of communication
Shareholders and investors	<ul style="list-style-type: none"> • Compliance operation • Business ethics 	<ul style="list-style-type: none"> • General meetings • Regular information disclosure • Investor research
Customers	<ul style="list-style-type: none"> • Serving real economy • Protecting the rights and interests of customers • Investor education • Financial technology • Responsible investment 	<ul style="list-style-type: none"> • Supporting scientific innovation and small-sized enterprises • Customer enquiry and complaints • 95503 customer service hotline • Investor education • “Orient Winners (東方贏家)” APP • Practicing responsible investment philosophy
Employees	<ul style="list-style-type: none"> • Employee interests and benefits • Employee training and development • Employee equality and diversity 	<ul style="list-style-type: none"> • Work unions and employee congress • Employee physical examination • Leadership training, orientation training, etc. • Corporate culture activities
Government and regulators	<ul style="list-style-type: none"> • Compliance operation • Risk management • Business ethics • Promoting rural revitalization • Building corporate culture 	<ul style="list-style-type: none"> • Regular communication and report • Institutional inspection • Policy implementation • Anti-corruption training • “Dongfang Guniang” and other industrial assistance projects • Promoting industry culture building
Suppliers and partners	<ul style="list-style-type: none"> • Compliance operation • Suppliers management 	<ul style="list-style-type: none"> • Cooperation and exchange • Bidding procurement • Supplier audit
Community	<ul style="list-style-type: none"> • Promoting rural revitalization • Public charity and voluntary services • Responding to climate change and supporting the goals of carbon peak and carbon neutrality 	<ul style="list-style-type: none"> • “Dongfang Guniang” and other industrial assistance projects • Financial assistance • Xindeyizhang art classroom construction • Supporting the development of green industry • Promoting low carbon operation

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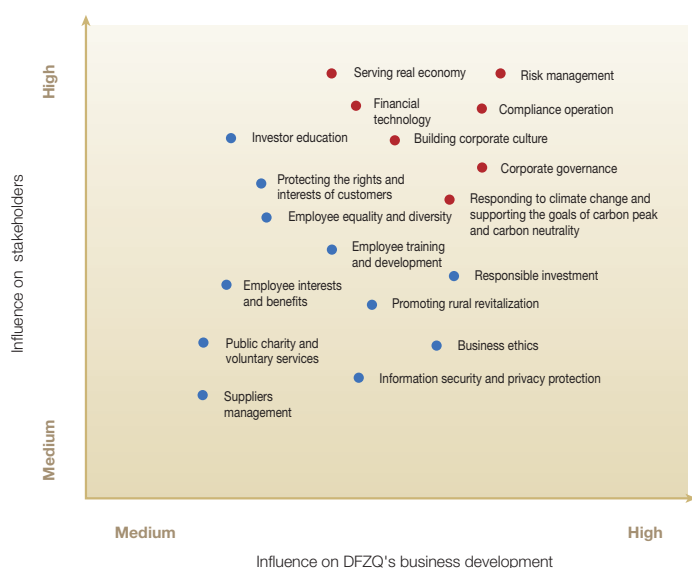
Identification and analysis of material topics

In order to better align this report with the concerns and expectations of stakeholders, the Company conducts a survey on material topics of social responsibility for stakeholders every two years. In 2021, based on the results of the survey in the previous year, the Company carried out further updates, screening and evaluation of topics through policy research, industry benchmarking and expert judgement to determine material topics of importance to the Company and stakeholders for prioritized disclosure and response in the report.

Major Changes in Material Topics for 2021

- Taking into account the domestic and international trends and the key tasks of the securities industry, the Company adjusted and formed the topics of “responding to climate change and supporting the goals of carbon peak and carbon neutrality” and “building corporate culture” to show the focus and characteristics of the Company’s social responsibility.
- Based on the concerns of exchanges and international rating agencies, the Company added the new topic of “employee equality and diversity” and adjusted and formed the topics of “business ethics” and “responsible investment” to respond to the key concerns of domestic and international capital markets.
- The topics of “social welfare” and “customer service” were further refined into the topics of “public charity and voluntary services” and “protecting the rights and interests of customers” respectively to further clarify the direction and improve the presentation of responsibilities.

Material Topics Matrix of DFZQ



- Material topics of high importance
- Material topics of medium to high importance

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2. MAINTAINING STABLE OPERATION AND PRACTICING GOVERNANCE RESPONSIBILITY

2.1 Risk and Compliance Management

Promoting ESG risk management

The Company always adheres to the risk management concept of “full compliance by all staff with focus on risk control”, strictly complies with the requirements of the Regulation on the Comprehensive Risk Management of Securities Companies (《證券公司全面風險管理規範》), the Measures for the Management of Risk Control Indicators of Securities Companies (《證券公司風險控制指標管理辦法》) and other documents, and has developed a comprehensive risk management system based on the Basic Rules for Comprehensive Risk Management of DFZQ (《東方證券股份有限公司全面風險管理基本制度》), covering various special risk management systems, risk management of subsidiaries and risk inspection.

The Company has established a clear and reasonable organizational structure for risk management, and constructed “three lines of defense” for comprehensive risk management consisting of business departments, branches and subsidiaries, relevant functional management departments and risk supervision and management departments to ensure the effective operation of the risk management system.

The Company continuously strengthens ESG risk management, pays attention to ESG risks in financing businesses such as margin financing and securities lending, and investment banking, and takes ESG factors as one of the important dimensions in the evaluation of financing targets.

For financing business, the Company incorporates ESG factors into the due diligence and ongoing management of financing parties and underlying securities, and focuses on their ESG performance in terms of credit default, corporate governance, information disclosure, employee stability, energy conservation and environmental protection. During the due diligence stage of project admission, when negative ESG-related issues arise for the financing parties and the underlying securities, the Company will comprehensively assess the risks and raise the entry criteria to make prudent decisions; during the post-loan management stage, the Company continuously pays attention to the ESG risks of the financing parties and the underlying securities and takes appropriate management measures based on the risks involved.

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ESG risk management for margin financing and securities lending business

Incorporating ESG rating into the classified rating system of margin financing and securities lending: ESG rating consists of six factors in two aspects, namely third-party independent rating and corporate social responsibility data.

- For those factors that can be quantified, they are incorporated into a quantitative multi-factor model for comprehensive calculation and evaluation;
- For those factors that cannot be quantified, they are incorporated into a qualitative analysis system, and if they perform better, they are given a higher rating, otherwise they are given a lower rating, and the classification rating is determined after a comprehensive assessment of the risk level of the securities.

For its investment banking business, the Company pays attention to the environmental, social and corporate governance performance of issuers, formulates targeted ESG risk management measures based on different business processes, effectively incorporates ESG risk management into the comprehensive risk management system for financing activities, and enhances the Company's risk prevention capability.

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ESG risk management system for investment banking business	
Industry admission stage	<p>The Company has set industry conditions and criteria in its project creation conditions or criteria to restrict or prohibit relevant industries with high ESG risks, and to encourage and guide the Company's business towards emerging industries and technology innovation enterprises.</p> <ul style="list-style-type: none"> • The Special Regulations for Management of IPO Project Creation and the Criteria for Creation of IPO and Listing Projects on the National Equities Exchange and Quotations and the Beijing Stock Exchange of the Company clearly state that industries that are clearly required by the State to eliminate outdated production capacity and have significant overcapacity at this stage or are clearly inhibited by the national industry policies, including electricity (thermal power), coal, iron and steel, cement, tannery, printing and dyeing, aluminum electrolysis, sheet glass and shipbuilding, are in principle not allowed to be clients of the Company. • The industries specified in the Guidance of the State Council on Addressing the Problem of Severe Overcapacity are in principle not allowed to be clients of the Company. • Products, processes or businesses that are phased out under the Guidance Catalogue for Industrial Restructuring or other policy documents are designated as industries in the prudent category and are, in principle, not allowed to be clients of the Company. • Enterprises whose main businesses fall within the scope of industries in the category of elimination in the Guidance Catalogue for Industrial Restructuring (2019 version) or in industries with significant overcapacity shall not be clients of the Company.
Due diligence stage	<p>We conduct detailed due diligence on the environmental protection and energy conservation and emission reduction aspects of our clients, including environmental protection approval, pollutant discharge, operation of environmental protection facilities, environmental protection investment and expenditure, energy conservation and emission reduction, etc. We also pay attention to the employment, labour protection and social security aspects of our clients, and pay close attention to and investigate labour disputes and penalties, etc.</p>

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Conducting environmental protection due diligence on Shimao Energy to enhance ESG risk management

In July 2021, Ningbo Shimao Energy Co., Ltd. (“Shimao Energy”), for which Orient Investment Banking acted as the sponsor and lead underwriter, was listed on the Shanghai Stock Exchange. Shimao Energy is a cogeneration company that uses domestic waste and coal as its main raw materials, turning domestic waste into clean energy and recycling resources through incineration and disposal, thereby enabling the recycling of resources.

Waste-to-energy incineration requires a high level of environmental protection and must have technology that meets national environmental protection standards, obtain approval from the environmental protection authorities, and the emission indicators of various types of emissions must meet the emission requirements of the environmental protection authorities. During the due diligence process, Orient Investment Banking focused on verifying whether the issuer had obtained the appropriate environmental protection approvals, visited the issuer’s main operating locations to verify the pollution in the production process, obtained information on the issuer’s environmental protection expenditure and the operation of environmental protection facilities, and ensured that the issuer’s production and operation were legal and compliant.

Intellectual property protection

The Company strictly complies with the requirements of relevant national laws and regulations on intellectual property protection, protects its own intellectual property in accordance with relevant laws and respects and avoids infringing the intellectual property of others.

In 2021, the Company regulated the installation and safe use of images, fonts, articles and licensed software, and required all departments to further raise awareness of copyright and conduct timely self-inspection and rectification in order to reduce or avoid infringement.

Supplier management

The Company has a limited number of suppliers, primarily including office consumables, facilities and equipment and service-related suppliers. The Company stresses promoting suppliers to improve their performance of environmental and social responsibilities and investigates, identifies and evaluates key factors affecting the environment in the operation of suppliers through questionnaires, on-site observation and expert consultation according to the “Control Procedure for Identification and Evaluation of Environmental Factors” (《環境因素識別與評價控制程序》).

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The Company has formulated the Operating Procedures for Infrastructure Projects of DFZQ, the Implementation Rules for the Procurement and Management of Non-Computer Assets of DFZQ and other documents to standardize the selection, admission and management process of suppliers, conducts regular inspection and assessment of the qualifications of the cooperating suppliers, requires rectification of suppliers which do not meet the standards, and disqualifies them if they fail to meet the standards after rectification.

The Company actively explores and practices green procurement and sustainable procurement models. In the tendering process of procurement projects such as engineering projects, IT equipment, office furniture and office computers, the products or services provided by suppliers are required to comply with national and industry standards and green procurement standards, and preference is given to suppliers who provide energy-saving and environmentally friendly products.

2.2 Adhering to Business Ethics

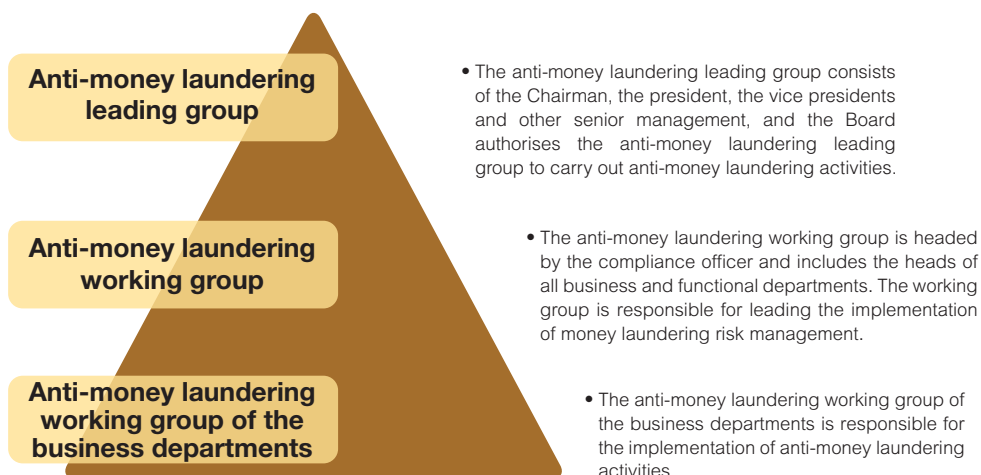
Anti-money laundering

The Company strictly complies with the “Anti-Money Laundering Law” (《反洗錢法》), the “Measures for Administration of Customer Identification and Retention of Customer Identification Data and Transaction Records of Financial Institutions” (《金融機構客戶身份識別和客戶身份資料及交易記錄保存管理辦法》), the “Measures for Administration of Reporting of Large Amount Transactions and Suspicious Transaction of Financial Institutions” (《金融機構大額交易和可疑交易報告管理辦法》) and other regulations, effectively fulfills its anti-money laundering obligations, and has established a three-level anti-money laundering internal control system consisting of a Board-level system, a Company-level system and a department-level system. As the anti-money laundering management department of the Company, the compliance and legal management department leads in money laundering risk management and facilitates the implementation of anti-money laundering activities.

The Company has established a three-level organizational management structure consisting of the anti-money laundering leading group, the anti-money laundering working group and the anti-money laundering working group of the business departments to fully implement various rules on anti-money laundering activities.

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Three-level anti-money laundering organizational management structure of DFZQ



Anti-corruption

In strict accordance with the “Regulations on Honest Practice of Securities and Futures Operating Institutions and Their Staff” (《證券期貨經營機構及其工作人員廉潔從業規定》) and “Opinions on Strengthening the Prevention and Control of Honest Practice Risks of Securities Companies Employing Third Parties in Investment Banking” (《關於加強證券公司在投資銀行類業務中聘請第三方等廉潔從業風險防控的意見》), the Company further promoted the containment of integrity risks to prevent corruption. In 2021, the Company formulated the “Supervision Work Meeting System of 東方證券股份有限公司” (《東方證券股份有限公司監督工作會議制度》) to strengthen the interaction among supervisory functional departments, and integrate the supervision within the Party with the supervision of the corporate governance structure, thereby improving the effectiveness and efficiency of supervision.

The Company attaches importance to the prevention and control of integrity risks. In 2021, the Company carried out dynamic management of integrity risk prevention and control covering all departments, branches and subsidiaries. By focusing on the adjustment of departmental functions and changes in business processes in response to changes in the securities industry such as the steady implementation of registration system, construction of multi-level capital markets and the high-quality development of listed companies, the Company strengthened the identification, prevention and control of integrity risks with increased efforts in rectification, improved the level of integrity risk prevention and control in key areas, important positions and critical sections, utilized technology to facilitate the reporting, approval, analysis and judgment of integrity risk prevention and control materials, and clarified the responsibilities at all levels.

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For whistleblowing and reporting, by strictly complying with relevant requirements of the “Rules on Supervision and Enforcement of Discipline by Discipline Inspection Organs of the Communist Party of China” (《中國共產黨紀律檢查機關監督執紀工作規則》) and the Implementation Measures on Discipline Inspection, Supervision, Whistleblowing and Reporting of Shenergy (Group) Company Limited (《申能(集團)有限公司紀檢監察信訪舉報工作辦法》), the discipline inspection department of the Company maintains a smooth and uninterrupted whistleblowing channel to receive reports through letters and personal visits, and arranges designated personnel to handle the works related to discipline inspection and whistleblowing. Whistleblowing process is conducted in an anonymous manner and is kept strictly confidential according to relevant requirements.

The Company revised the “Non-Compliance Reporting Measures of the Compliance and Legal Management Department of DFZQ” (《東方證券股份有限公司合規法務管理總部違規舉報工作辦法》) to set out in detail the mechanism for receiving non-compliance reports, including specific procedures for receiving non-compliance reports and requirements for protection of whistleblowers, so as to ensure the confidentiality of the whistleblowing process and protect the rights and interests of whistleblowers. The measures “strictly prohibit the disclosure of the name, department, address and other information of the whistleblower”, “strictly prohibit to disclose the reported matters to the persons involved or other persons who may cause adverse consequences to the whistleblower”, and “if any department or person is found to retaliate against the whistleblower, it shall be timely reported to the senior management of the Company and handled in strict accordance with relevant regulations, and if it constitutes a crime, it shall be reported to judicial authorities and handled according to relevant laws”, in order to protect the legitimate rights and interests of the whistleblower.

The Company attaches great importance to the promotion and education of honest practice, and actively explores effective ways and methods for promotion and education of honest practice. In 2021, the Company further strengthened the awareness of honest practice among employees based on the “A Breeze of Fresh Air” promotion and education platform by means of WeChat official account and short videos.

For training on honest practice, the Company conducted four training sessions on honest practice, including the seminar on Party disciplines and honest practice for leaders and backbone staff, the special training and testing for all staff on the eight regulations proposed by the Central Political Bureau of the Communist Party of China, the integrity cultural construction campaign of “Celebrating the 100th Anniversary of the Founding of the Communist Party of China by Upholding the Integrity Culture of the Party”, and the activity of “Education on the situation and honest practice in 2021”, to continuously create an atmosphere of integrity and honesty.

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In 2021, there were no corruption criminal cases in relation to the Company or its existing employees at the parent company level of DFZQ.

Carrying out the education on the situation and honest practice under the theme of “Keeping honest practices after 100 years of success”

In June 2021, the Company carried out “Education on the situation and honest practice in 2021” under the theme of “Keeping honest practices after 100 years of success”, organized the senior management members, Party Committee management members and secretaries of grass-roots Party organizations to collectively watch the warning and education film, compiled and issued seven learning materials such as “Typical Cases of Anti-corruption in Financial Industry”, “Discipline in Party History” and “Guide to Honest Practice Education Bases”. The Company also arranged and guided inspectors to organize staff to visit honest practices education venues in various places for more than 50 times, and carried out talks and training on the theme of building a clean and honest Party, so as to improve the awareness and understanding of the concept of honest practices among frontline staff and provide a solid foundation for the healthy development of the Company.

2.3 Practicing Industry Culture

Industry culture is an important manifestation of the soft power and core competitiveness of securities firms, and is the internal strength and foundation of the high-quality development of the securities industry. In 2021, the China Securities Association issued the “Ten Elements of cultural construction for the Securities Industry” (the “Ten Elements”) and carried out the first assessment of cultural construction practices of securities firms to provide reference and guidance for securities firms to practice in-depth cultural construction activities.

DFZQ has always attached great importance to the cultural construction, and takes corporate culture as an important tool to enhance the cohesion, competitiveness and team spirit of the Company. In 2021, the Company issued the “Notice on Adjustment to the Corporate cultural construction Leading Group and Working Group” as well as the Company’s first special system for cultural construction, the “Management Measures for Industry cultural construction”, to further improve the leadership system and working mechanism for cultural construction.

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Highlights of industry culture construction of DFZQ in 2021	
Promoting the in-depth integration of culture building and business management	<ul style="list-style-type: none"> Improving corporate governance through culture building and strengthening the leadership system and working mechanism for culture building; Integrating culture building with talent team building and improving effective talent cultivation mechanism; Incorporating culture building requirements into business development and continuously promoting the practical implementation of industry culture concepts in all business lines of the Company.
Establishing brand influence through cultural construction	<ul style="list-style-type: none"> Put more efforts in “fulfilling responsibilities” and “sustainable development” in the “Ten Elements” with focus on major directions, and consolidating the brand strength of the Company in sustainable development and fulfilling social responsibilities; Continuously expanding the Company’s brand influence in asset management, wealth management, investment banking and other advantageous sectors by constantly improving our professional capabilities and service effectiveness and innovating our working methods.
Achieving value recognition and behavioural awareness through effective communication	<ul style="list-style-type: none"> Striving to fully and effectively convey the cultural concept by means of diversified promotional methods through extensive publicity channels; Integrating the internal and external behavioral patterns of employees, forming multi-level and systematic code of conduct and business guidelines for employees with consistent orientation and concise expressions; Regulating the conduct of employees, encouraging them to develop good habits of behaviour, and realise behavioural self-awareness on the basis of inner value recognition.

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3. FULFILLING ECONOMIC RESPONSIBILITY WITH PROFESSIONAL SERVICES

3.1 Responsible Investment

Responsible investment system

The Company uphold the idea of value investment and responsible investment, and while pursuing value investment returns, it takes social and environmental responsibilities into consideration in investment decisions and continuously facilitates social value creation. The Company has established a relatively mature decision-making system for equity proprietary equity investment and carries out decision-making, authorization and management of investment business based on a five-level investment decision-making structure.

DFZQ Investment Decision-making Structure



For securities investment business, the Company has established a securities investment business investment decision-making team, which is responsible for the daily investment decision-making of securities investment business within the scope of the Company's authorization. The investment team formulates and executes investment decisions within the scope of authorization, and selects investment targets in a bottom-up approach with focus on value investment. The research and planning team explores the investment value of individual stocks and analyzes the macroeconomic situation, industry development prospect and business conditions of the enterprises to identify investment opportunities and make recommend to the investment team.

In addition, Orient Securities Asset Management, our subsidiary, assigns industry researchers to monitor the negative ESG information released by third party organization on a weekly basis, pays high attention to the environmental non-compliances of companies in high energy consumption and high pollution industries, and makes prudent decisions on whether to invest in companies with negative ESG incidents.

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Responsible investment strategies

To further incorporate ESG factors into investment decisions, the Company implements responsible investment strategies such as positive selection, negative exclusion and integration of ESG elements to manage ESG risks of investment targets.

Investment strategies	Application of strategies
Positive selection	<ul style="list-style-type: none"> The Company takes ESG factors as one of the key elements in allocating industries and evaluating enterprises and focuses on industries supported by national policies such as new energy, environmental protection, COVID-19 prevention and control. In selecting investment targets, the Company pays attention to the quality of corporate governance and information disclosure of the enterprises and makes investment in enterprises with higher quality after comprehensive performance evaluation.
Negative exclusion	<ul style="list-style-type: none"> For enterprises with negative ESG-related issues such as major safety accidents in recent years and fraudulent conduct and lack of supervision in production and operation and coal and steel enterprises with slow progress in low-carbon transition, the Company makes prudent decision on whether to include them in its investment whitelist.
Integration of ESG factors	<ul style="list-style-type: none"> When conducting research on enterprises, the Company considers ESG-related factors in order to further manage investment risks. Such factors include existing or new major investment activities that have an impact on the environment; any safety accidents or investigation, penalty, production suspension or relocation imposed by regulatory authorities; work performance of directors, supervisors and senior management, employee stability and corporate management culture; rules and regulations on production safety and the completeness of decision-making process; and quality of governance and information disclosure of listed companies.
Sustainability investment	<ul style="list-style-type: none"> The Company participates in green bond investments with focus on clean energy, new energy sectors and other investment targets that are in line with the concept of sustainable development.

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The Company actively participates in trading and investment of green bonds, anti-pandemic treasury bonds, carbon neutrality bonds and rural revitalisation bonds. In 2021, the Company participated in trading of green bonds of RMB30,124 million, anti-pandemic treasury bonds of RMB13,699 million, carbon peak and carbon neutrality bonds of RMB21,517 million and rural revitalisation bonds of RMB7,428 million. As of the end of 2021, the Company invested in green bonds of RMB145 million, anti-pandemic treasury bonds of RMB200,000, carbon peak and carbon neutrality bonds of RMB220 million and rural revitalisation bonds of RMB14 million.

Promoting the application of ESG factors integration strategy in investment business

Orient Securities Asset Management, a subsidiary, actively promotes the application of ESG factor integration strategy in its investment business. Since 2020, it has started to procure and apply ESG rating databases from third-party institutions, introduce ESG rating results of enterprises into the Company's investment research system, and provide ESG risk alerts and early warnings to researchers.

In addition, in early 2022, Orient Securities Asset Management, launched its first ESG-themed fund, the "Dongfanghong ESG Sustainable Investment Mixed Securities Investment Fund". In implementing the ESG concept, this fund takes into full consideration the performance of companies in terms of environmental (E), social (S) and corporate governance (G) to form a pool of ESG stocks, then selects stocks in the pool based on the fundamentals of listed companies and strives to balance and integrate investment returns with sustainable long-term social benefits.

Regarding responsible investment research and information exchange, as a signatory to the United Nations Principles for Responsible Investment (UNPRI), Orient Securities Asset Management, a subsidiary, actively participates in the UNPRI online meetings to keep informed of the latest development and information on responsible investment principles. In addition, Orient Securities Asset Management also participates in the green investment business training organized by the Asset Management Association of China to further learn about the cutting-edge theories and practical achievements on low-carbon development in China and abroad.

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3.2 Serving the Real Economy

The Company actively strengthens its function as a financial company to serve the real economy by promoting the development of sci-tech innovation industry and small and medium-sized private enterprises, thereby facilitating the real economy to “focus on main business and stop being distracted from intended purpose”.

Main areas	Typical cases of services in 2021
Facilitating development of sci-tech innovation industry	In August 2021, Orient Investment Banking assisted Hangzhou Lion Microelectronics Co., Ltd. to raise RMB5.2 billion through a non-public offering of shares for the construction of projects such as 12-inch semiconductor wafers for integrated circuits, 6-inch power semiconductor chips and 6-inch silicon epitaxial wafers, and for replenishing working capital. The successful implementation of this non-public offering will help Lion Microelectronics to commence mass production of 12-inch semiconductor wafers as soon as possible and improve the level of independent production of semiconductor wafers in China.
Promoting development of small and medium-sized private enterprises	In August 2021, the Company assisted Chengtay Financial Leasing (Shanghai) Co., Ltd. (“Chengtay Leasing”) in successfully issuing the first tranche of short-term financing bonds for 2021 and simultaneously creating the “21 Chengtay Leasing CP001 Credit Risk Mitigation Certificate”. The size of the bonds issued was RMB300 million, and the size of 21 Chengtay Leasing CP001 Credit Risk Mitigation Certificate was RMB50 million, both with a maturity of 1 year. This credit risk mitigation certificate is the first credit risk mitigation certificate created by the Company, and the successful issuance and creation of the product have contributed to expanding the financing channels of private enterprises.

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3.3 Optimizing Customer Services

Improving service quality driven by technology

By following the development of financial technology and industry trends, DFZQ continuously promotes the integrated development of financial technology and continues to develop in the areas of innovation of integration mechanism, digital transformation of management, business scenario empowerment and implementation of middle platform structure to fully promote digital transformation.

Achievements in Financial Technology in 2021	
Improving management through innovation and exploring digital transformation of management	<ul style="list-style-type: none">• In 2021, we completed the exploration and hierarchy design of the data middle platform architecture of the Orient Digital Database and feasibility analysis of construction of data and service system at the Group data middle platform level based on the existing information data service system.• In 2021, the first phase of basic function development and initial user promotion were completed for the IT digital management platform project.• We further optimized the Company's investment risk management technology system to achieve the Group's goal of flat management of risks, and focused on promoting the construction of a risk management centre under the independent research system.
Empowering business development and in-depth integration of technology and business	<ul style="list-style-type: none">• For proprietary business, the Super Investment Management Platform (SIMP) has achieved fully independent research, coverage of all assets and business and full process management, and is a customized trading system that integrates asset management, efficient and comprehensive risk control and demand follow-up.• For institutional services, since the launch of stock trading system under the Orient Speed Trading (OST) system in 2020, obvious advantages have been developed in terms system speed over the existing speed trading systems in the market, which attracted more and more clients.• For retail services, we updated the market information section of the Oriental Winners APP through independent research to continuously improve user experience.

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Achievements in Financial Technology in 2021	
Implementing the middle platform strategy and promoting technology structural transformation	<ul style="list-style-type: none"> For capability sharing centers, we completed the construction of business middle platforms for accounts, products, sales of wealth management products, transaction access, assets, quotations and information centers, achieving full coverage of all business needs in the wealth management business sector. For innovative technology middle platform, we continuously refined the platform architecture of the basic platform level, middle platform level and application level of the Orient Brain artificial intelligence platform, and established various centers of excellence to create an interconnected and comprehensive AI capability middle platform. For technology structural transformation, we actively promoted the transformation to a modern structure with microservices as the core, which has been applied in various business management systems for dozens of projects in the financial technology sector, with a leading position in the securities industry in terms of level of process automation and applicability.

In 2021, Orient Futures, a subsidiary, launched the “Fanwei” intelligent investment and research platform, which consists of two major components, namely data integration and quantitative analysis. The platform incorporates analysis methods and models developed by professional analysts from the Orient Securities Derivatives Research Institute based on their years of experience. In addition to the support from extensive data access, the platform places greater emphasis on quantitative analysis and the application of big data, and combines years of experience of researchers with computing science and big data to form an analytical application platform with unique advantages.

Strengthening information security and customer privacy protection

The Company continuously strengthened the management and protection of customer information security and privacy, formulated the “Data Security Management Code of DFZQ”, the “Data Classification and Grading Management Guidelines of DFZQ” and other rules, and formed a special data security team to promote the implementation of standardized data request, standardized data desensitization and data classification and grading. Meanwhile, the Company also constructed an operation and maintenance system with information technology operation and maintenance service (ISO20000 certified) and information security management (ISO27001 certified) as two pillars to ensure the safe and stable operation of the information system.

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Major works in information security development in 2021	
Amendments to rules	<ul style="list-style-type: none"> We amended the “Computer Information System Security Management Measures of DFZQ”, the “Data Security Management Rules of DFZQ” and the “Information Security Emergency Plan of DFZQ”.
Information security tests	<ul style="list-style-type: none"> We completed the information system security level protection assessment in 2021. We continuously conducted security testing and security reinforcement for Oriental Winners APP, and improved its security to an outstanding level in the industry. We carried out information system application security management work and progressively promoted code scanning and automated security testing for various application systems.
Information security training	<ul style="list-style-type: none"> We completed the 2021 information security awareness training and special examination for employees, the 2021 information security awareness campaign for employees, the 2021 data security training and special examination for employees, and the 2021 customer data security training and special examination for employees.

For customer privacy protection, the customer service center strictly implements customer identity verification, customer identification and customer information protection and review, strictly ensures that there is no verification of non-personal and no inquiry without verification, and customer sensitive information must be shielded, with long-term archiving of customer calls and returns visits records, and protects customer privacy and transaction information. The Company manages the customer information under the principle of least privilege for relevant staff at headquarter and designated branches in order to strictly control the scope of access to and knowledge of sensitive customer information. Customer-related information is limited to designated branches, and irrelevant personnel do not have the right to access and check the customer data. The Company keeps record of any access to customer information and data and relevant documents to ensure that the access control of sensitive and private customer information is conducted according to relevant standards on the basis of restricted personnel and restricted permission. In 2021, the parent company did not find any violation of customer privacy or loss of customer data or received any confirmed related complaints.

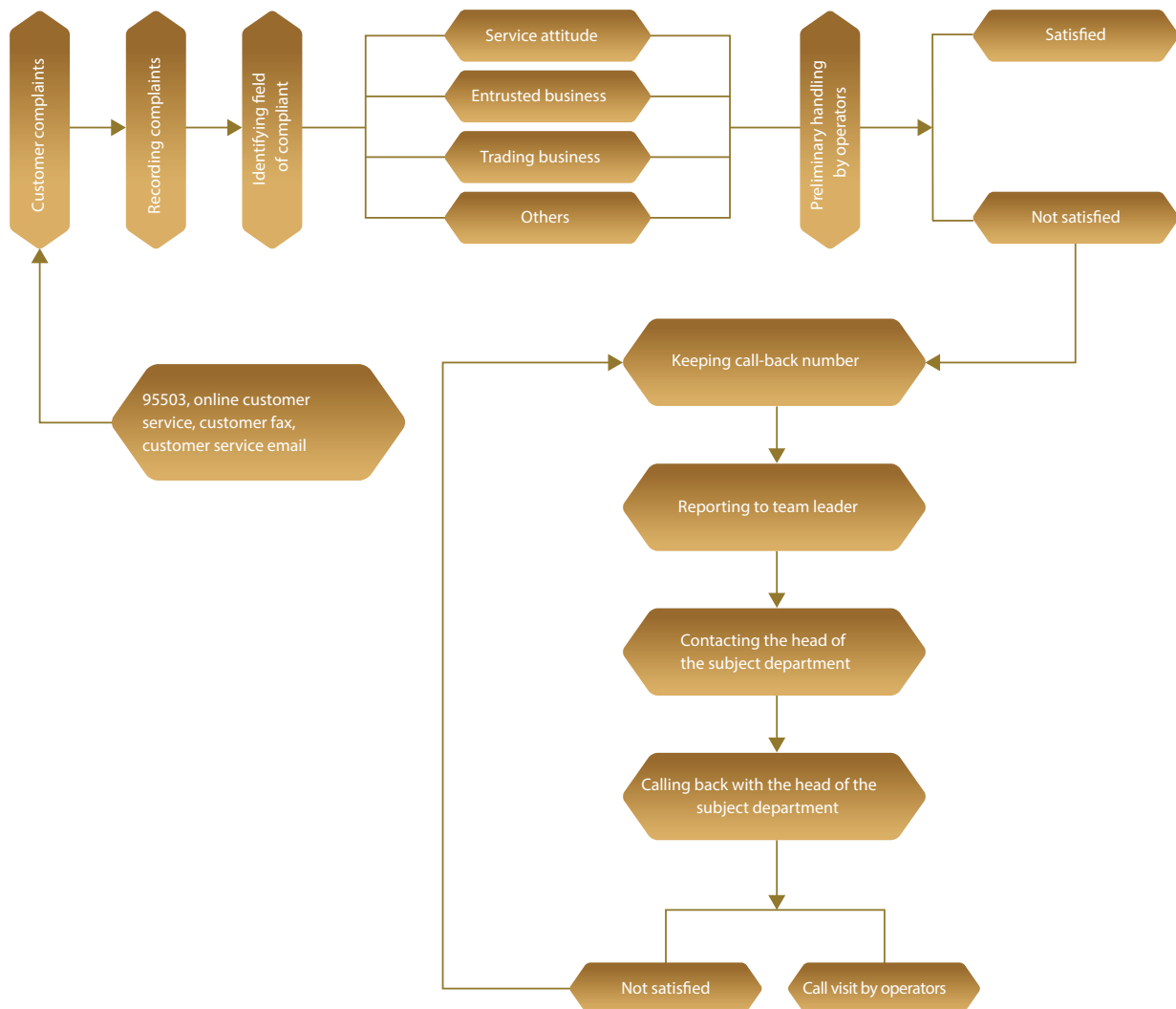
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Safeguarding the interests of customers

Under the customer centric approach, in addition to providing a diverse and multi-layer offering of products and services to the customers, the Company also meticulously follow up and respond to the questions and demands of customers in order to continuously improve customer service experience and satisfaction.

With focus on solving the actual problems of customers, the Company has established a set of comprehensive and systematic processes for handling customer complaints, pays close attention to the implementation of complaint handling, and strives to effectively manage customer complaints through system improvement, staff training and implementation of leadership accountability system.

Customer Complaints Handling Procedure



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Compliance product marketing

In strict accordance with the policies and requirements of the “Administrative Measures for the Sale of Securities Investment Funds” (《證券投資基金銷售管理辦法》) and the “Administrative Provisions on Agency Sale of Financial Products by Securities Companies” (《證券公司代銷金融產品管理規定》), the Company has formulated the “Administrative Measures for the Sales Business of Securities Investment Funds” (《證券投資基金銷售業務管理辦法》) and the “Administrative Measures for Agency Sales Business of Financial Products” (《代銷金融產品業務管理辦法》) to regulate the sale of financial products of the Company, ensure that customers have access to true and complete product information and safeguard the legitimate rights and interests of investors.

In order to ensure the compliance and effective development of the agency sales business of financial products, the Company has formulated the “Regulations on Agency Sales Business of Financial Products of DFZQ” (《東方證券股份有限公司代銷金融產品引入管理規定》) to standardize due diligence, product evaluation and risk assessment, and product sales decisions.

The Company stipulates that sales staff shall use the product promotion materials of the product manager to conduct agency sales promotion. In the sales process, sales personnel are required to comprehensively, fairly and accurately introduce relevant information about financial products to investors. They are not allowed to mislead investors by exaggerating publicity, false publicity and other means. In 2021, the parent company did not find any violation of information and logo of any product and service, nor any violation of marketing regulations.

3.4 Deepening Investor Education

The Company continuously and diligently implements the regulatory requirements on investor protection and investor education by fully incorporating investor education and protection into all aspects of its daily business operation to advocate a rational investment culture and continuously improve investors’ risk prevention awareness.

In 2021, the Company continued to carry out investor education activities to serve the demand of Chinese residents for financial product allocation and investment management, thereby contributing to the increase of their wealth management income. Focusing on the five themes of “financial knowledge, wealth planning, market strategies, investment methods and risk prevention”, the Company continuously guided ordinary investors to establish proper investment concepts and methods, and held approximately 2,436 investor education service activities at its headquarters and branches. The Company also established three major investment education service brands, including the “Orient Star Classroom”, “Financial Alley – Share of Financial Ideas” and “Orient Securities Wealth Management Live Studio”, to continuously deliver a correct and rational view of wealth management and investment, serving over 1.48 million investors in total.

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As a pioneer in transformation of wealth management in the industry, the Company continuously diversifies the content of wealth management development, strives to incorporate fund investment advisory education into the national education system, carries out exploration and innovation in investor education, diligently promotes financial knowledge and helps create a mature, rational, healthy and orderly capital market environment.

Signing a strategic cooperation agreement with Shanghai University of Finance and Economics to help integrate investor education into the national education system

In November 2021, DFZQ signed a three-year strategic cooperation agreement with Shanghai University of Finance and Economics (SUFU) to offer an annual course on “Wealth Management and Fund Investment Advisory” for professional master’s students of SUFE. Ten company leaders and experts, including the chairman, vice president and chief economist of the Company, gave face-to-face lectures to the students. The course content covers topics ranging from analysis of capital market development to industry research methods, from the content of asset management to wealth management practices, and from fund product research to fund sales techniques, enabling students to have a comprehensive understanding of wealth management and fund investment advisory business.

4. SUPPORTING “CARBON PEAK” AND “CARBON NEUTRALITY” AND FULFILLING ENVIRONMENTAL RESPONSIBILITIES

4.1 Active Response to Climate Change

Climate change risk management system

As global climate change intensifies, the Company recognizes that, environmental risks such as climate change not only affect its own operation as a financial company, but may also migrate from the real economy to the Company through the investment and financing business. Under the framework of Task Force on Climate-related Financial Disclosures (TCFD), the Company identifies climate risks and opportunities related to its operations, and takes measures based on the results of identification to manage the impact of climate change on the Company.

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Climate Change Management System of DFZQ	
Governance	The Board of the Company is responsible for monitoring the climate impact of the Company's operations and reviewing the annual social responsibility report, which includes the topic of "responding to climate change". The Sustainable Development Committee is responsible for guiding the development of carbon neutrality targets and plans, and identifying ESG related risks and opportunities, including climate change. In addition, the Company promotes sustainable development matters, including responding to climate change, through a multi-departmental sustainable development working group.
Strategy	The Company identifies, assesses and analyses the potential financial impact of climate risks and opportunities on the Company's business and operations, and addresses climate change by promoting energy conservation and emission reduction, building green data center and facilitating the issuance of climate bonds.
Risk management	The Company identifies climate risks and opportunities relevant to the Company's business and operations under the TCFD framework to provide a basis for further managing climate risks and seizing climate opportunities.
Indicators and targets	<p>With the ESG information management system, the Company is able to fill in, sort out and analyze greenhouse gas emissions, green house gas emission intensity, energy consumption, energy consumption intensity and other indicators online, and identify possible risk exposure related to climate issue through data trend analysis in a timely manner.</p> <p>The Company has set targets for greenhouse gas emissions and energy management, aiming to achieve carbon neutrality for operating activities¹ by 2025 and a 10%² reduction in electricity consumption per unit area by 2025 compared to 2019. The Company will make regular disclosure on progress towards the targets in its annual social responsibility report.</p>

Note 1: Carbon neutral target for operating activities covers Scope 1 (including carbon emissions from the combustion of natural gas, petrol and diesel in its own vehicles), Scope 2 (including carbon emissions from purchased electricity), and part of Scope 3 (including carbon emissions from leased data centres and staff business travel).

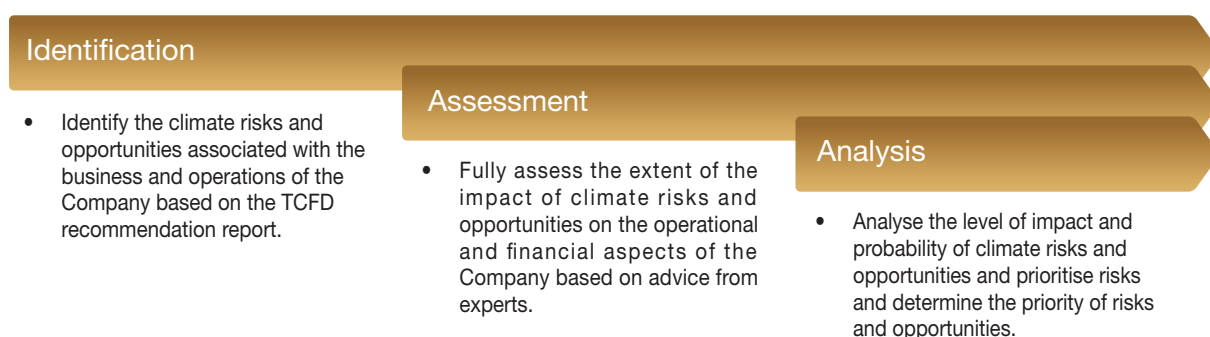
Note 2: The statistics of electricity consumption per unit area are based on DFZQ Tower.

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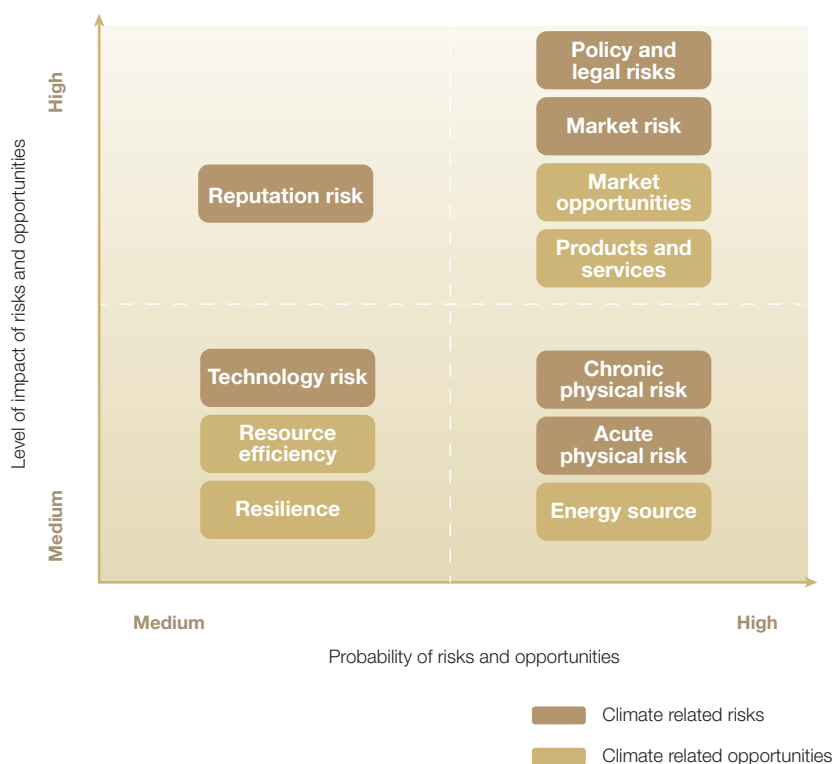
Identifying climate change risks and opportunities

In order to better address the risks and seize the opportunities from climate change, the Company takes into account macro policies, conducts peer group benchmarking analysis and considers the opinions of the experts of the Company and external experts to proactively identify climate risks and opportunities related to the Company's operations, investment and financing business and assess their potential financial impact.

Climate risks and opportunities analysis process



Climate Risks and Opportunities Matrix



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Analysis of the potential financial impact of highly substantial climate risks and opportunities

Risks and opportunities	Description	Potential financial impact
Policy and legal risks	Following the introduction of national environmental protection policies and laws, the Company and its customers may be exposed to incidents such as defaults, penalties and litigation due to their inability to meet policy and regulatory requirements.	Increase in operating costs Decrease in operating income Decrease in value of investment portfolio
Market risk	The introduction of the low carbon policy will affect the supply and demand structure of the market, which may have an impact on the Company's business and may lead to higher credit risk due to reduced solvency of customers.	Decrease in operating income Decrease in value of investment portfolio
Market opportunities	The introduction of policies related to climate change and green finance has a guiding effect on the financial business and market. If the Company follows the development trend of the green finance market, it will help to increase the revenue generated from the green finance business.	Increase in operating income
Products and services opportunities	The Company facilitates the development of climate-friendly enterprises through the issuance of "climate change" bonds, support for IPOs, and equity investments, thereby creating revenue for the Company while guiding private capital to invest in climate-friendly industries to jointly address climate change.	Increase in operating income Increase in value of investment portfolio

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Promoting energy conservation and emission reduction

The Company actively advocates a low-carbon and environmentally friendly business operation and work style, promotes the implementation of energy-saving and environmental protection systems, and saves social resources with best efforts in order to protect the environment and reduce pollution. In 2021, the parent company did not identify any confirmed violations related to environmental protection with a significant impact on the Company.

Saving water resources	<ul style="list-style-type: none">• The Company uses municipal water as its main water source, water consumption is mainly from the daily operation of the office, and there is no shortage of water resources• Induction taps are installed in toilets to prevent leaving water running unintentionally• Regular and timely inspection and repairing of water equipment are conducted to eliminate water leakage
Reducing paper use	<ul style="list-style-type: none">• Promote electronic internal newsletters to replace paper newsletters• All announcements are published through OA system to promote paperless office• Double-side printer or photocopying is required for informal documents and drafts• Paper certified by Forest Stewardship Council (FSC) are used to print the social responsibility report to ensure that the paper comes from sustainable, legal and logging-permitted forest resources
Green decoration	<ul style="list-style-type: none">• Use green and environmentally friendly materials to decorate office areas to avoid causing harm to humans and polluting the environment
Solid waste and wastewater treatment	<ul style="list-style-type: none">• Harmless waste generated from office operations is mainly daily office waste. Waste office supplies are encouraged to be reused. Wastes that cannot be recycled are collected and treated by the property management unit• Hazardous wastes from office operation include electronic wastes, light pipes, carbon powder cartridges, toner cartridges and other hazardous wastes, which are entrusted to qualified units for recycling, and may be disposed of or reused by the recycling party• Waste water generated in the process of office and service will be incorporated into municipal sewage pipe network

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Promoting the construction of a green data center

In 2021, the Company continued to promote the construction of green data center, and launched the new Jinqiao Data Center, which was the first financial data center in China to be awarded the three-star green building design certification. Meanwhile, the Company accelerated the relocation of high energy consumption server rooms to green server rooms, and started the relocation of the South Zhongshan Road server room and the Waigaoqiao server room in 2021, relocating a total of over 1,700 units of equipment. It also continued to adopt energy-saving and emission reduction technologies to improve energy and resource efficiency and reduce greenhouse gas emissions.

- Reducing power line losses through an efficient power supply system with substations on each floor of data server module.
- Adopting diffuse and lateral air supply and the server rack heat channel close-off technology to significantly enhance the cooling efficiency.
- Using highly efficient equipment such as intelligent busbars, energy-storage UPS and high-efficiency cooling and heating source units to improve energy utilization efficiency.
- Using natural cooling technology to improve cooling efficiency, with natural cooling capacity accounting for over 86% of the total rated cooling capacity in winter.

Meanwhile, in 2021, based on the actual operation conditions, the Company has set targets for water consumption and waste reduction by 2025, which is, to the year of 2025, the Company's water consumption per capita will show a decreasing trend compared to 2021, and the Company has committed to gradually improve the source identification and registration of non-hazardous waste and hazardous waste, so as to control the generation of non-hazardous waste and hazardous waste at a low level. In addition, the Company actively responded to the call of national strategy and started to develop and publish carbon neutrality targets and plans for itself and its investment and financing portfolio.

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Carbon Neutrality Targets and Plans of DFZQ

With 2020 as the base year, DFZQ shall:

- Strive to achieve carbon neutrality on direct operations by 2025;
- Strive to achieve net zero emissions from the investment portfolio by 2060;
- Channel RMB450 billion into sustainable development sector through investment and financing business, and maintain the average annual growth rate of sustainable investment and financing at a minimum of 9% during the “14th Five-Year Plan” period (2021-2025).

Note 1: The Company’s 2025 carbon neutrality target for direct operations covers Scope 1 (including carbon emissions from the combustion of natural gas, petrol and diesel in its own vehicles), Scope 2 (including carbon emissions from purchased electricity), and part of Scope 3 (including carbon emissions from leased data centres and staff business travel).

Note 2: Statistics on sustainable investment and financing targets include investment and financing amounts in areas such as energy conservation and environmental protection, clean production, clean energy and green upgrading of infrastructure, which are the focus of support at the environmental level, as well as consolidating poverty alleviation achievements and facilitating rural revitalization at the social level. In particular, the sustainable investment amount represents the point-in-time data up to the end of 2025, and the sustainable financing amount represents the total amount from 2021 to 2025. The Company will also make dynamic adjustments to this target in the future based on business development.

4.2 Innovative Green Financial Products

Developing green finance

With the concept of green development more accepted by the public, promoting the development of green finance has become a shared value of the financial service industry. In response to the national strategy of achieving carbon peak by 2030 and carbon neutrality by 2060, the Company supports the green development of enterprises through the issuance of green bonds and carbon neutrality bonds, thereby contributing to the steady progress towards the goal of carbon neutrality in China. In 2021, the Company underwrote 11 green bonds as the lead underwriter with total financing size of RMB15,013 million, including eight carbon neutrality bonds with financing size of RMB12,007 million.

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Underwriting the issuance of Three Gorges Group's first carbon neutrality green corporate bond

In March 2021, "China Yangtze River Three Gorges Group Limited 2021 Publicly Offered Green Corporate Bonds (First Tranche) (for Carbon Neutrality)" underwritten by Orient Investment Banking was successfully issued on the Shanghai Stock Exchange.

As the largest clean energy enterprise in China, Three Gorges Group's clean energy development is closely aligned with national policies and meets the requirements of energy restructuring, energy conservation and emission reduction. The size of bonds issued was RMB1 billion with a term of three years, and no less than 70% of the funds raised will be used for the construction of the Baihetan Hydropower Plant project on the Jinsha River.

Upon completion of construction and commencement of operation of the project to be financed by the bond proceeds, compared with thermal power generation with the same power supply capacity, the project may reduce carbon dioxide emissions by 33,677,900 tonnes, replace fossil fuel of 18,477,600 tonnes of standard coal, reduce sulphur dioxide emissions by 11,794.19 tonnes, reduce nitrogen oxide emissions by 11,310.32 tonnes and reduce soot emissions by 2,295.38 tonnes per annum.

Innovative "carbon neutrality" products and research

With the introduction of the national goals of achieving carbon peak by 2030 and carbon neutrality by 2060, "sustainable development" and "carbon neutrality" have become key topics of concern for the industry and the public. In order to promote corporate responsibility and financial innovation under the green development trend, the Company worked together with academic leaders, industry experts and industry elites to release the Company's first "Carbon Neutral Index" and establish the "Orient Securities Sustainable Development Forum Series" with a focus on ESG investment and green opportunities, thereby contributing to the national goals of "carbon peak" and "carbon neutrality".

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Organizing the “Orient Securities Sustainable Development Forum and the Launch of the Orient Securities Carbon Neutral Index”

In September 2021, the “Orient Securities Sustainable Development Forum and the Launch of the Orient Securities Carbon Neutral Index” jointly organised by DFZQ and Sina Finance was held in Shanghai with the theme of “Green Opportunities in the Era of Carbon Neutrality”. Various distinguished guests discussed on how finance can help achieve the goals of “carbon peak” and “carbon neutrality” at the forum.

The forum also unveiled the Orient Securities Carbon Neutral Index, the first carbon neutral index developed by Sina Finance in cooperation with financial institutions. This index is the first carbon neutral index developed for A-share listed companies in China and is jointly developed by the Company, Sina Finance and Syntao Green Finance. It selects the 50 most representative stocks in terms of “carbon neutrality” and low-carbon transformation in the CSI 300 as the sample stocks, aiming to reflect the changes in market value of listed companies with major contributions to “carbon neutrality” and outstanding performance in low-carbon transformation in the development towards China’s goals of “carbon peaking” and “carbon neutrality”, so that stakeholders can understand and invest in “carbon neutrality” related issues, and thus contribute to the development of ESG responsible investment and the achievement of “carbon neutrality” target.

4.3 Environmental Protection Activities

The Company pays active attention to the impact of its operations on the environment and encourages and advocates its employees to promote sustainable lifestyles and good consumption habits while facilitating its own efforts in energy conservation and emission reduction. In 2021, the Company launched the “Plastic Reduction Plan” and partnered with Bottloop, a sustainable lifestyle brand in China, to develop a “zero-waste” building and “zero-waste” campaign and promote environmental protection concepts. It also replaced disposable consumables with environmentally friendly recycled materials and recycled waste into usable products, and introduced a series of environmentally friendly recycled products to promote sustainable resources and the environment.

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Developing a “zero-waste” building	<ul style="list-style-type: none"> • Hazardous wastes from office operation were entrusted to qualified units for recycling. • Special recycling containers were set up in the office area, and dedicated staff were assigned for scientific management of meeting materials and office consumables such as plastic products.
Organizing “zero-waste” activities	<ul style="list-style-type: none"> • The meeting materials and on-site consumables were managed scientifically from the preparatory stage; a “zero-waste” display area and separate collection points were set up in the venue. • After the meeting, on-site paper products, badges, beverage bottles and other leftovers were recycled, which were delivered to designated factories by professional staff. The waste beverage bottles were recycled into environmentally friendly products through professional processes such as sorting, washing, slicing, stretching, weaving, dyeing and finishing.
Promoting environmental protection concepts	<ul style="list-style-type: none"> • Five environmental initiatives for employees were launched, including: water conservation, carbon reduction, plastic reduction, wildlife conservation and sustainable consumption. • The Company participated in the “Earth Hour” campaign to switch off the lights each year, and organized the environmental protection photography exhibition and interactive activities under the theme of “Care for the Earth Together at This Moment” on April 22, the Earth Day, and June 5, the World Environment Day. • The Company launched the “Carbon Neutrality” campaign through its official WeChat account and created a “Sustainable Development” section on its official website to promote low carbon concept to its staff, customers and the general public.

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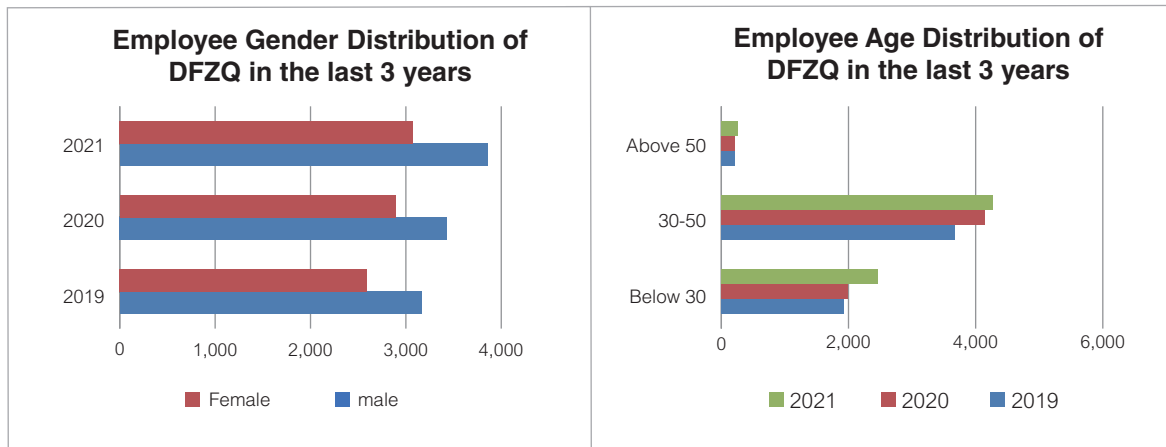
5. PRACTICING EMPLOYEE RESPONSIBILITY IN A PEOPLE-ORIENTED APPROACH

5.1 Safeguarding Rights of Employees

Diversity in the workplace

The Company adhering to the concept of “people oriented” development, provides an equal and fair work environment and development platform for employees and strives to build a gender-equal workplace and a diverse talent team to ensure that all employees enjoy fair career opportunities.

In the process of talent recruitment and talent training, the Company strictly complies with the Labor Law of the People’s Republic of China, the Labor Contract Law of the People’s Republic of China, the Implementation Rules of the Labor Contract Law of the People’s Republic of China and other relevant laws and regulations, adheres to the principle of equal employment for men and women, strictly prohibits the screening and restriction of employees in terms of gender, race and ethnicity, and strictly prohibits discriminatory expressions of gender and ethnicity in external recruitment advertisements, so as to achieve a diversified composition of employees in terms of age, race, ethnicity, professional background and ability.



In terms of career care for female employees, the Company implements the principle of employee diversity to help and encourage more female employees to realize their personal value and promote the development of female leadership.

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Holding a seminar on female leadership

In order to continuously improve the comprehensive quality of female staff and their ability to perform their duties, and highlight the advantages of female leaders and cadres, the Company held a special seminar on female leadership in April 2021, with over 70 staff attending the training, including female staff from the headquarters, female heads of branches in Shanghai and other outstanding key staff.

The training focused on introducing the importance of female qualities such as attention to details, composure and calmness in the ever-changing financial market, and conducted interactive discussion on topics such as wealth management for females, self-reconciliation and management skills to support the career development of female staff.

Recruitment and employment of staff

Talents are important resources for the development of an enterprise. The Company continues to carry out the recruitment of outstanding talents and establish a good career development platform for its staff. In 2021, based on the strategic plan, the Company formulated the annual recruitment plan and carried out recruitment through various channels in an order manner with focus on introduction of top-tier and professional talents, thereby continuous improving the quality and structure of talents.

The Company attaches great importance to the employment situation of college graduates, and secures outstanding fresh graduates in advance through the campus recruitment programs of “I-MT Management Trainees” and “Orient Star” wealth management trainees to ensure the employment of students. In addition, the Company continued to implement the internship base agreements with the finance, economics, management, statistics and other related schools of Fudan University, Shanghai Jiao Tong University, Shanghai University of Finance and Economics, East China Normal University and other universities to offer internship positions every year based on the actual situation and provide internship opportunities for students with outstanding performance in schools.

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Comprehensive upgrade of the “I-MT Management Trainee” campus recruitment project

In 2021, the Company optimized the campus recruitment channel model and comprehensively upgraded the “I-MT Management Trainee” recruitment project for the investment and research business segment and the financial technology segment with focus on the introduction of talents from top universities, selected outstanding fresh graduates with high potential through the summer internship assessment and retention and the autumn campus recruitment internship assessment and retention, and customized a two-year training plan after the students graduated and joined the Company. Through targeted job rotation, dedicated mentoring and market-oriented assessment, the Company cultivated and reserved outstanding young backbone talents and industry leaders with broad vision, strong comprehensive abilities and multi-disciplinary skills.

The Company persists in establishing standardized and fair employment and dismissal procedures, and rigidly standardizes the process, employee induction and departure according to the “Labor Contract Management System of DFZQ” (《東方證券股份有限公司勞動合同管理制度》), “Attendance and Leave Management Regulations” (《考勤及假期管理規定》) and other human resource management rules so as to effectively safeguard the basic rights and interests of employees in terms of labor protection, labor remuneration, labor conditions, working hours management, rest and leave, social insurance and occupational hazard protection, and promotes harmonious employment relations. In 2021, the Company did not have any confirmed violations of laws or any lawsuits in terms of employment and labor standards.

Human rights protection	<ul style="list-style-type: none"> • Regular checks on workload and prohibition of forced labour • Strictly verifying the identity of employees and prohibition of child labour • Specifying the terms and conditions of termination and establishing legal termination procedures
Remuneration and benefits	<ul style="list-style-type: none"> • Determining salary based on market rate and making distribution based on results of performance assessment • Full and timely contribution to five insurance and one fund • Provision of supplementary medical insurance, corporate pension scheme and other benefits
Working hours and leaves	<ul style="list-style-type: none"> • Standard working hours of 40 hours/week • Special working hours for special positions • Statutory holidays, annual leave, sick leave, marriage leave, maternity leave, etc.

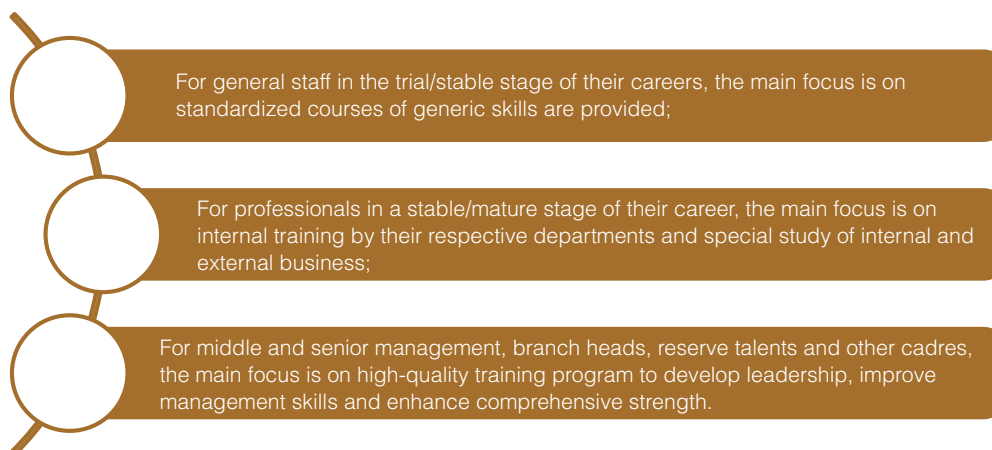
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5.2 Focusing on Talent Cultivation

Staff training

With focus on the mid to long-term mission of “improving employee skills, endowing potential talents, boosting business development and transmitting core values”, the Company has established a training operation system composed of three modules of “multi-level curriculum system, diversified lecturing modes and standardized organization and management” to empower employees with capacity and performance through training and learning and better facilitate employees in their career development.

Multi-level staff training system



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In 2021, the Company organized 44 face-to-face internal trainings at company level, involving 7,568 people, and recommended employees to attend 532 online and offline training courses held by various regulatory departments and professional institutions, with 4,647 participants, and held more than 218 online training sessions involving over 120,000 visits.

In 2021, the Company completed the upgrade and iteration of its E-learning online learning platform to achieve digital transformation of training which effectively improved the quality and experience of online learning for employees. The Company integrated training resources through the E-learning platform and the Company's internal WeChat platform, shared business knowledge and experience, met the diverse learning needs of employees, and created a learning atmosphere in which all employees may share information and achieve joint improvement.

In 2021, 146 online training courses were added on the E-learning platform, including 50 independently developed courses and 96 courses procured externally.

For management training, the Company conducted 7 training sessions of "Innovation and Development" series and "Leadership Development" series, carried out large-scale online training from time to time, regularly recommended special reading list for the management, and added the online reading platform and other services to help middle and senior management members expand their vision and improve their comprehensive quality.

For targeted business training, taking into account the business characteristics and market hotspots and based on the training programs of "Orient Securities Forum", "Orient Securities Classroom" and "Joyful Reading", the Company invited internal and external veterans and relevant professional backbone staff to share their views on business hotspots such as "transformation of internet enterprises", "data protection" and "foreign exchange business". In addition, based on the "Easy Learning" platform of Securities Association of China and the learning platform of Shanghai Securities Association, the Company provided professional knowledge training resources to employees.

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Conducting three sessions of “Orient Eagle” wealth management training

Since 2015, the Company has implemented the three major talent strategies of “Orient Eagle, Orient Light and Orient Star” for its wealth management business, and creates a young and professional management team with strong execution ability through a combination of “market-oriented recruitment, internal promotion and training of fresh graduates”, so as to form a unified ideology and business philosophy for wealth management transformation.

From March to June 2021, the second to fourth sessions of the Company’s “Orient Eagle” training course for branch leaders were successfully held, with approximately 130 branch leaders of wealth management business participating in the offline training, enabling nationwide training on the topic of “talent recruitment and team management”.

The Company invited industry experts, instructors and outstanding branch leaders to share their experience and explain the wealth management methods and processes in detail based on actual cases, and branch leaders explained and shared their successful experience and methods in the sales department. With thorough discussions and strong interaction in the training sessions, the participants’ sense of achievement was greatly enhanced, and full scores were given in the satisfaction ratings of the three training sessions. The trainings effectively enhanced the team management effectiveness of the branches and provided strong support for the development of the Company’s wealth management business.

In addition, in order to implement the Company’s talent strategy and effectively improve the competency of employees, the Company supports its employees to receive external professional trainings and obtain relevant professional certificates. The Company reimburses employees who take and pass non-statutory examinations such as CFA, CPA, Legal Professional Qualification and other non-statutory examinations as required by the department after obtaining relevant certificates or other supporting documents, which covers all employees who enter into official labor contracts, in order to help its employee improve their professional skills and strengthen their competencies.

Staff appraisal and incentive

The Company always adheres to the principle of fairness and integrity, and carries out staff performance assessment and incentive and restraint-related work in a scientific and reasonable manner to guide staff to continuously improve themselves, realised their potential and achieve outstanding results. The Company continues to dynamically improve its performance management system, continuously optimises and explores innovations in performance indicator setting, performance assessment and application of assessment results, and strives to establish a scientific mechanism to objectively assess employees, guide them to realise their potential and promote the development of the Company. In terms of staff promotion, the Company has established a relatively comprehensive promotion and advancement management system to set a standardised path for staff career development and personal growth, and continuously facilitate the development of the Company’s talent pool.

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Staff performance appraisal and promotion system	
Performance management	The Company has established a top-down multi-level performance management system, and promotes the further implementation of performance orientation and performance culture by dynamically optimizing the performance indicator system, performance assessment rules, application of performance results and other management rules. For employees, the Company places equal emphasis on the results of performance assessment and performance process management, and encourages adequate communication between direct supervisors and employees in respect of performance to help employees review, analyze and improve problems in their work and better enhance their performance level.
Promotion	The Company advocates the employment principle of “promotion and demotion”, adopts a promotion system that combines “annual promotion” and “structural promotion” to implement annual promotion for employees below a certain rank and structural promotion for employees above a certain rank, so as to provide clear career promotion paths for employees and create a positive competitive atmosphere.

To ensure objective, fair and impartial appraisal, the Company has established a reasonable and effective grievance reporting mechanism to fully protect the legitimate rights and interests of employees. In addition, the Company keeps employees' identity information strictly confidential in the process of grievance handling, and prohibits any retaliation or discrimination against employees who file grievances, so as to fully protect employees' rights and interests.

Aspect of grievance	Grievance handling procedures
Performance appraisal	In case that departments and employees cast doubt over the evaluation process or the evaluation results, they may apply to the human resources management department for reconsideration by filling out the Performance Appraisal Reconsideration Form with appeal reasons and detailed evidence thereof. The human resources management department will organize investigation and verification upon receiving the relevant application form, and issue a written reply within two weeks after reporting the investigation results to the Company.

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Aspect of grievance	Grievance handling procedures
Compliance accountability	If employees disagree with the compliance accountability decision, they may submit a written appeal to the relevant organization that made the compliance accountability decision within 15 days from the date of the decision. The above organization shall make a decision on the appeal within 30 days and inform the appellants and their departments in writing of the result of the appeal.

In addition, in order to further establish and improve the benefit sharing mechanism between employees and the Company and attract and retain outstanding talents, based on the requirements of long-term, sustainable and healthy development of the Company, in July 2020, the Company established the employee stock ownership plan covering all formal employees, raising total proceeds of RMB317 million with 3,588 participants, representing approximately 63% of the total number of staff. In 2021, the Company carried out daily management and cash dividend distribution under the employee stock ownership plan in an orderly manner to actively safeguard the interests of all staff.

Democratic staff communication

In order to promote democratic management and facilitate harmonious corporate development, the Company establishes and improves the system of workers' congress and the system of collective consultation, striving to bridge the communication between employees and the Company.

In 2021, the Company organized and convened the meeting of employee congress, trade union member representative meeting and joint meeting of employee congress to elect the fourth session of committee members of the trade union, members of the funding review committee, employee representative director and employee representative supervisors, enter into new collective contracts and effectively facilitate democratic management.

The Company currently has one employee representative director and three employee representative supervisors. The employee representative director and supervisors are elected by the employees of the Company through the staff representative assembly and then directly join the Board of Directors and the Supervisory Committee. The employee representative director may exercise the relevant powers and functions of directors as stipulated in the Articles of Association of the Company in accordance with relevant laws, and the employee representative supervisors may exercise democratic rights such as the right to information, supervision and advice in accordance with relevant laws. When the Board of Directors and Supervisory Committee deliberates on important matters of the Company, the employee representative director and supervisors shall fully express their views and at the same time perform their duties and obligations to represent the interests of the staff, reflect their reasonable requests and safeguard the legitimate rights and interests of the staff and the Company, and shall assume corresponding responsibilities.

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The Company maintains two-way and effective communication with employees, and conducts investigation on the departure of resigned employees through online questionnaires and offline interviews. The Company understands the internal and external factors of employee turnover from the aspects of turnover reasons, turnover destination, and opinions and suggestions to the Company, and strives to fundamentally improve potential management problems, raise employee satisfaction, and achieve common development between the Company and employees.

5.3 Heartfelt Care for Employees

To ensure the health and safety of its employees, the Company strictly complies with the “Labor Law of the People’s Republic of China” (《中華人民共和國勞動法》), the “Production Safety Law of the People’s Republic of China” (《中華人民共和國安全生產法》), the “Regulation on Work-Related Injury Insurance” (《工傷保險條例》) and other documents, formulates the “Administrative Measures of Security and Fire Safety Work of DFZQ” (《東方證券股份有限公司安全保衛和消防安全工作管理辦法》) and other relevant rules and regulations, establishes the employee insurance and benefits platform and takes multiple measures to protect the physical and mental health of the employees.

Major efforts made for employee care in 2021

Safeguarding employee benefits

- The Company has optimized the employee insurance and benefits platform and built a multi-level, multi-functional and multi-dimensional insurance and benefits system based on key benefits and insurance such as social insurance, housing provident fund, enterprise annuity and comprehensive supplementary medical insurance, supplemented by optional insurance and benefits plans for employees.
- The Company regularly conducted on-site inspections of security and fire safety to rectify potential safety hazards in a timely manner, protect employees from occupational hazards, and create a safe, healthy and warm office environment for its employees.
- The Company launched the “Growing Up Together Towards a Bright Future” employee care project service and invited CIIC Care & Share Occupational Mental Health Centre, a third-party provider, to provide 24/7 free professional mental health counselling hotline to help employees resolve their worries and troubles in workplace and daily life.

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Major efforts made for employee care in 2021	
Support for employees in difficulty	<ul style="list-style-type: none"> According to the requirements of the “Opinions on Further Strengthening the Efforts of Trade Unions in Shanghai to Provide Support and Care for People with Difficulties” (《關於進一步深化上海工會幫困送溫暖工作的實施意見》) and other policies, the Company specified the standard of spending on supporting employees in difficulty in the “Measures for Management of Use of Funds of the Trade Union of the Company” (《公司工會經費收支管理辦法》). In 2021, the Company supported 246 employees with donation of RMB563,600.
Protection for female employees	<ul style="list-style-type: none"> The Company signs the Special Contract for Protection of Special Interests of Female Employees (《女職工特殊禮儀之保護專項合同》) to fully protect the welfare, rights and interests of female employees in terms of leave duration, work arrangements, wages and benefits during menstruation, marriage, pregnancy, maternity and breastfeeding period. The “Orient Flower” love mommy cabin of the Company continues to provide humanized and warmhearted services to pregnant and nursing mother employees. Special gynecological examinations are conducted for female employees each year to care for the physical and mental health of female employees with practical actions.
Emphasis on pandemic prevention and control	<ul style="list-style-type: none"> The Company set up a special fund of RMB1.33 million for pandemic prevention and control, which was used to purchase medical masks, alcohol and other pandemic prevention supplies for employees, and constantly improved protective measures in workplace to ensure that employees were reassured and committed to their work.

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6. GIVING BACK TO THE COMMUNITY BY FULFILLING SOCIAL RESPONSIBILITY

6.1 Fully Promoting Rural Revitalization

In 2021, DFZQ actively responded to the national call and industry guidelines, fulfilled its corporate social responsibility, proactively participated in the building of a moderately prosperous society in all aspects with dedication, love and care, and vigorously promoted rural revitalization. The Company and its subsidiaries entered into pair-up assistance agreements with 19 former national poverty-stricken counties, including Morin Banner of Inner Mongolia, Tongyu County in Jilin Province, Jingle County in Shanxi Province, Muchuan County in Sichuan Province, Wufeng County in Hubei Province and Yanchi County in Ningxia, to carry out relevant supporting tasks.

In 2021, the Company made external donations totaling RMB39.594 million. Among them, the DFZQ parent company and DFZQ Xindeyizhang Public Welfare Foundation launched a total of 25 projects to consolidate the achievements of poverty alleviation and promote the revitalization of villages, including 1 overall assistance project, 5 industrial assistance projects, 10 education assistance projects and 9 public welfare assistance projects, with a total investment of approximately RMB16.75 million.

In addition, the Company also actively responds to the call of the Securities Association of China and signed the “Promoter Agreement for Public Welfare Action of Promotion of Rural Revitalization by the Securities Industry” in October 2021 as one of the first promoters, and will focus on activities to consolidate the poverty alleviation achievements of the “one company for one county” strategy, promote rural revitalization, implement the new development concept and support public welfare undertakings.

Industrial assistance through innovation

The Company upholds the assistance concept of giving priority to industrial assistance, and provides industrial assistance based on the resources and characteristics of impoverished counties. Since 2016, the Company has been focusing on Wufeng of Hubei and Morin Banner of Inner Mongolia as the key areas of project implementation, and facilitates the development of tea, Guniang fruits and other local characteristic industries, actively explores the establishment of a long-term assistance mechanism, and steadily promotes assistance tasks in all pair-up counties based on the experience in key areas.

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Completing the first livestreaming at the place of origin of Orient Guniang and empowering brand co-development with eco-friendly products

In 2021, the Company carried out the “Orient Guniang” industrial assistance project in Morin Banner, Inner Mongolia for the fifth consecutive year, and made investment of approximately RMB2.01 million during the year with total investment of over RMB12 million so far. Meanwhile, by capturing the opportunities from the “Harvest Festival of Chinese Farmers”, the Company and its partner completed the first livestreaming at the place of origin in Morin Banner which attracted nearly 300,000 viewers and garnered over 9 million likes, further expanded the project’s influence and facilitated Morin Banner in consolidating the achievements of poverty alleviation.

In addition, the Company also combined the supporting project with the lifestyle concept of low-carbon and environmental protection to empower brand co-development with trendy and eco-friendly products and explore the green and sustainable lifestyle full of new ideas. In 2021, the Company launched over 20,000 boxes of “Orient Guniang” products in collaboration with Bottloop, a domestic sustainable lifestyle brand. In particular, the recycling process of eco-friendly storage bags contributed to reduction of approximately 1,371kg of CO2 emissions, and the project was granted the “2021 TRENDSHOME Annual Award”.

Assisting in the development of long-term market competitiveness of tea products

In September 2017, the Company and the People’s Government of Hubei Wufeng Tujia Autonomous County entered into a precise poverty alleviation pair-up assistance agreement. Based on the unique geomorphic environment and the profound history of tea growing industry of Wufeng, the Company carried out the “Dong Fang Hong Yi Black Tea” and “Dong Fang Hong Selected Mingqian Spring Tea” industrial assistance projects.

In 2021, the Company and its subsidiaries carried out the tea industry assistance project in Hebei Wufeng for the fourth consecutive year, and made investment of approximately RMB4.57 million during the year with total investment of over RMB16.00 million so far, helping over 1,000 recorded poor households achieve employment. The Company once again created new packaging for Wufeng’s “Dongfanghong Selected Mingqian Spring Tea” and “Dongfanghong Yi Black Tea”, which helped Wufeng to establish long-term market competitiveness and price premium for its tea products.

Since the second half of 2018, the Company actively responds to the call of “Double Hundred” village and enterprise pair-up precise assistance actions of Shanghai. With the guidance of Shenergy Group, the Company provides pair-up assistance to Pingmeng Village in Gula Township, Funing County, Yunnan Province and actively promotes precise assistance in various aspects such as improving the appearance of the village, promoting special industries and economic development, and promoting the development of social undertakings.

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DFZQ took multiple actions to help develop Pingmeng Village	
Aspect of assistance	Major works and results
Improving the village appearance	Since 2018, the Company has invested a total of more than RMB5 million to assist in the construction of several roads into the village, village road hardening projects, and LED street lighting projects in Pingmeng Village, Gula Township, to solve the villagers' travel problems and help improve the village appearance and living environment.
Promoting special industries and economic development	In 2021, the Company donated RMB500,000 to Pingmeng Village in Gula Township for the development of seedling industry base and aquatic product industry base projects in the village to help the local industry and economic development.
Promoting the development of social undertakings.	In 2021, the Company joined hands with the DFZQ Xindeyizhang Public Welfare Foundation to carry out the "Xin Yi Fook Pouch" charity project in Ping Meng Village, Gula Township, sending school supplies and daily necessities to the local elementary school students and starting the Hope Nursery class project in Fuling County.

Making solid progress in cultural assistance

Through field research in the twinned areas and combining with actual needs, the Company and its subsidiaries have continued to carry out various assistance projects in recent years, including subsidizing poor students, donating school and living supplies to elementary school students, building art classrooms and teaching for public welfare, helping to improve the appearance of villages in the original poverty-stricken areas, and solidly promoting cultural assistance.

As of the end of 2021, the "Xindeyizhang Art Classroom" public welfare project of the Company covered various provinces including Xinjiang, Gansu, Hubei, Yunnan, Zhejiang and Anhui, and set up 12 art classrooms in 10 rural primary schools, which provided more than 220 vivid courses to over 2,000 students. Meanwhile, in 2021, Xindeyizhang set up 15 "Xindeyizhang Future Hope Early Childhood Classes" in Butuo County, Liangshan Autonomous Prefecture, Sichuan Province, benefiting 525 children and 30 teachers; and donated four Dream Centers to four secondary schools in Fengxin County, Jiangxi Province, benefiting over 3,000 middle school students.

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Education assistance project in Morin Banner, Inner Mongolia

The Company continued to carry out education assistance projects in Morin Banner, Inner Mongolia. Through student application and approval by schools and local poverty alleviation authorities, the Company was enabled to determine the specific number of students who needed assistance, thereby continuously carrying out financial support project for impoverished students and accurately distributing the assistance funds to recorded poor households to support the impoverished high school students to complete education. In 2021, a total of 288 students suffering poverty in the No. 1 Middle School of Ni Er Ji, Morin Banner, Inner Mongolia benefited from the Company involving an aggregate of capital donation of RMB864 thousand.

6.2 Supporting Social Welfare

Continuously developing the public welfare platform under the foundation

Since its establishment in 2015, the DFZQ Xindeyizhang Public Welfare Foundation (“Xindeyizhang Public Welfare Foundation”) has consistently focused on the preservation of Chinese cultural heritage and the development of children’s art education, and successively carried out Tujia brocade cultural heritage protection, the “A Beautiful City in Western China | Dunhuang” cultural heritage plan and the construction of the Xindeyizhang Country Elementary School Art Classroom and charitable lecturing, contributing to the inheritance and promotion of Chinese culture and art.

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Seven years of public welfare works by Xindeyizhang Public Welfare Foundation

2015	<ul style="list-style-type: none"> • DFZQ Xindeyizhang Public Welfare Foundation was officially established. • Held the “Xindeyizhang Charity Fashion Night – Brocade Art Show”.
2016	<ul style="list-style-type: none"> • Launched the “A Beautiful City in Western China Dunhuang” cultural heritage plan, and invited animation director to make hand-painted fenders for the first season of “Twilight in Mogao Grottoes” as a tribute to the Dunhuang painters.
2017	<ul style="list-style-type: none"> • Launched the “Xindeyizhang Art Classroom” public welfare project with the first art classroom set up in the primary school of Taoyan Village, Guazhou County, Jiuquan, Gansu Province.
2018	<ul style="list-style-type: none"> • The “Gentle Backbone” Public Welfare Show, the second season of “A Beautiful City in Western China Dunhuang” was unveiled at Shanghai Fashion Week. • Through introduction films and cards, the “Spirit of Yulin”, the third season of “A Beautiful City in Western China Dunhuang”, better presented Yulin Grottoes to the public.
2019	<ul style="list-style-type: none"> • Jointly carried out the 4th Shanghai “Future Science and Technology Stars” selection and cultivation activities. • Jointly carried out the “Future Hope Early Childhood Classes” project for a term of three years.
2020	<ul style="list-style-type: none"> • Jointly organized the “A Beautiful City in Western China, Divine Dunhuang” public welfare exhibition which attracted over 150,000 visitors • Organized the first winter camp under the “Xindeyizhang Art Classroom” with 10 students from national poverty-stricken counties.
2021	<ul style="list-style-type: none"> • Jointly organized the “Taste of Four Seasons” campaign, the fourth season of “A Beautiful City in Western China Dunhuang”, to incorporate the features of Dunhuang in the public welfare menu of three meals in four seasons. • Cooperated with Adream Foundation to jointly donate four “Dream Centers” to Fengxin County in Jiangxi Province. • Carried out voluntary activities under the “Xindeyizhang Art Classroom” project.

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Public welfare income and expenditure of Xindeyizhang Public Welfare Foundation in the last three years

Indicator	Unit	2019	2020	2021
Annual fund-raising amount	RMB0'000	1,450.00	1,458.00	820.26
Annual expenditure	RMB0'000	660.00	703.00	1,270.79

Note: Affected by external donation needs for pandemic control and prevention and other purposes, certain public welfare funds of the Foundation were largely raised in 2020 and such funds were spent in batches in 2020 and 2021 in line with the progress of projects, resulting in a significant increase in public welfare expenditure in 2021.

Focusing on the inheritance of traditional Chinese culture

In order to protect and pass on the traditional Chinese cultural heritage, in 2016, the DFZQ Xindeyizhang Public Welfare Foundation launched the cultural protection project of “A Beautiful City in Western China”, taking Dunhuang as the first stop of cultural protection to launch the project of “A Beautiful City in Western China | Dunhuang”. The project lasts for 5 years, and the Company aims to present Dunhuang to the public through different perspectives and creative methods, with an aim not only to convey the beauty of Dunhuang art, but also to convey the oriental spirit of Dunhuang.

Based on the successful experience in three seasons of “Twilight in Mogao Grottoes”, “Gentle Backbone” and “Spirit of Yulin”, the foundation cooperated with relevant partners to organize the “Taste of Four Seasons” campaign, being the fourth season of “A Beautiful City in Western China | Dunhuang”, and other activities in 2021, to incorporate the Dunhuang arts into modern daily life, thereby presenting Dunhuang culture to more people, letting them respect and appreciate Dunhuang and protect the Dunhuang culture. The “Taste of Four Seasons”, being the fourth season of the project, consists of a documentary about the caretakers of the Dunhuang Academy and the meals inspired by the story. The documentary covers the Mogao Grottoes, the Yulin Grottoes, the Xiqian Buddha Caves, the Bingling Temple Grottoes and the Maijishan Grottoes, showing the moving stories of the caretakers who dedicate their lives to fighting for the longevity of cultural treasures.

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Supporting education public welfare

In order to promote arts to children in rural areas and facilitate balanced development of education in urban and rural areas, the Xindeyizhang Public Welfare Foundation cooperated with the Education Department of the Jiangxi Province and educational administrative authorities at all levels to create a caring environment for children to grow up, provide high-quality liberal arts education resources to all regions of Jiangxi Province and enable students to grow up with confidence and ease.

Cooperated with Adream Foundation to jointly donate four “Dream Centers” to Fengxin County in Jiangxi Province

In 2021, the Xindeyizhang Public Welfare Foundation partnered with Adream Foundation to donate four “Xindeyizhang Dream Centers” to Fengxin County, Jiangxi Province, and all of which have now been completed.

In addition, to enable children to better explore themselves and develop their potential, the Xindeyizhang Public Welfare Foundation exclusively sponsors the “Love and Dreams” picture book project. Through reading, sharing and reflecting on classic picture books in different graphic styles as well as relevant discussion and extension activities, the project aims to enable children to feel the joy of reading and learn to respect and care through their favourite picture books, so that they can appreciate and express themselves and communicate and share with others.

Aid the needy students through education assistance is a key area of focus for the Dongfanghong Foundation under Orient Securities Asset Management. Over the past six years, the Dongfanghong Foundation under Orient Securities Asset Management has helped thousands of school-age children in Guizhou, Hunan, Shanxi and Yunnan provinces to stay in school.

Supporting education in Western China with focus on preschoolers

In 2021, the Dongfanghong Foundation further extended the scope of its support to the preschoolers by partnering with Shanghai Huji Foundation to provide funding of over RMB1.6 million for 15 new preschools in Zhenxiong, Yunnan Province, through the three-year project of “Future Hope Early Childhood Classes”, which effectively relieved the problems of difficulty in attending preschool and low quality of preschool education for local children.

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6.3 Actively Participating in Voluntary Services

Rooted in the protection and promotion of cultural heritage, Xindeyizhang Public Welfare Foundation pays close attention to children's art education, and organizes staff volunteers to give lectures in local schools on a regular basis to provide support and guidance for children's art education. As of 2021, the foundation set up 12 art classrooms in 10 rural primary schools in various areas including Anhui, Gansu, Hubei, Zhejiang and Yunnan, and provided more than 220 vivid courses to nearly 2,000 students.

In 2021, the Shanghai Dongfanghong Foundation officially applied to become the "Shanghai Public Welfare Base" and 85 staff members of Orient Securities Asset Management registered as volunteers for the base. During the year, the Foundation carried out seven volunteer activities, which invited over 50 staff volunteers to help nearly 100 members of the public and received extensive positive feedback.

Site visits for the "Future Hope Early Childhood Classes" project and the "Wispring Dream" project

In October 2021, the Foundation and its staff volunteers organised two site visits for the "Future Hope Early Childhood Classes" project and the "Wispring Dream" project currently funded by the Foundation. By visiting rural schools and families in need and sharing stories face-to-face, volunteers gained a deeper understanding of the current situation and difficulties of rural education. The volunteers also encouraged local children and inspired more confidence and hope among the sponsored students, enabling them to grow towards a better future.

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KEY QUANTITATIVE PERFORMANCE TABLE

Environmental performance

Environmental performance table of the parent company of DFZQ

Indicator	Unit	2019	2020	2021
Total greenhouse gas emissions	Tonnes of carbon dioxide equivalent	16,071.86	17,712.60	15,153.71
Total greenhouse gas emissions within Scope 1	Tonnes of carbon dioxide equivalent	331.80	245.86	233.28
Total greenhouse gas emissions within Scope 2	Tonnes of carbon dioxide equivalent	14,649.20	16,017.14	11,478.11
Total greenhouse gas emissions within Scope 3	Tonnes of carbon dioxide equivalent	1,090.86	1,449.60	3,442.32
Greenhouse gas emissions per capita (Scope 1 and Scope 2)	Tonnes of carbon dioxide equivalent/ headcount	3.29	3.92	2.52
Greenhouse gas emission per unit area (Scope 1 and Scope 2)	Tonnes of carbon dioxide equivalent/ sq.m.	0.10	0.10	0.07
Total electricity consumption	KWH	18,410,506.00	19,004,868.00	19,755,787.83
Electricity consumption per capita	KWH/headcount	4,040.05	4,579.16	4,248.42
Electricity consumption per unit area	KWH/sq. m.	118.62	116.07	120.63
Total natural gas consumption	Cu. m.	114,971.00	77,231.00	77,672.00
Natural gas consumption per capita	Cu. m./headcount	93.85	52.08	51.99
Natural gas consumption per unit area	Cu. m./sq. m.	2.55	1.73	1.53
Petroleum consumption of self-owned vehicles	Litre	30,000.00	29,000.00	24,000.00
Diesel consumption of self-owned vehicles	Litre	600.00	50.00	50.00
Total water consumption	Tonnes	199,093.00	192,829.00	201,834.43
Water consumption per capita	Tonnes/headcount	43.69	46.46	43.40
Water consumption per unit area	Tonnes/sq. m.	0.84	0.77	0.90
Total office paper consumption	Tonnes	11.25	9.53	10.00
Electronic product wastes	Piece	1,580.00	312.00	776.00

Note 1: Total electricity consumption, total water consumption and relevant statistics are based on the parent company of DFZQ (i.e. headquarters and branches of the parent company), and other statistics are based on the headquarters of parent company of DFZQ.

Note 2: Greenhouse gas emissions within Scope 1 include direct greenhouse gas emissions from natural gas consumption and gasoline and diesel consumption from self-owned vehicles of the headquarters of parent company of DFZQ. Greenhouse gas emissions within Scope 2 include indirect greenhouse gas emissions from purchased electricity of the headquarters and branches of the parent company of DFZQ, with reference to 2012 data in the 2011 and 2012 China Regional Power Grid Average CO₂ Emission Factors issued by the NDRC for carbon emission factors in 2019 and 2020, and reference to the 2021 National Grid Emission Factor in the Corporate Greenhouse Gas Emissions Accounting Methods and Reporting Guidelines for Power Generation Facilities, 2022 Revised Edition issued by the Ministry of Ecology and Environment of the People's Republic of China in respect of the carbon emission factors for purchased electricity in 2021.

Note 3: For 2019 and 2020, greenhouse gas emissions within Scope 3 include indirect greenhouse gas emissions from purchased electricity of leased data centre of the parent company of DFZQ, and for 2021, greenhouse gas emissions from employee business travel of the headquarters of parent company of DFZQ were added to the greenhouse gas emissions within Scope 3. Greenhouse gas emissions within Scope 3 are estimated in accordance with the Scope 3 calculation tool of the Greenhouse Gas Protocol.

Note 4: Electronic product wastes include obsolete server equipment, network equipment, security equipment, desktop computers, printers, etc.

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Environmental performance table of the subsidiaries of DFZQ

Indicator	Unit	2019	2020	2021
Total greenhouse gas emissions	Tonnes of carbon dioxide equivalent	835.47	774.25	10,979.36
Total greenhouse gas emissions within Scope 1	Tonnes of carbon dioxide equivalent	36.00	39.81	38.64
Total greenhouse gas emissions within Scope 2	Tonnes of carbon dioxide equivalent	799.47	734.44	1,130.10
Total greenhouse gas emissions within Scope 3	Tonnes of carbon dioxide equivalent	–	–	9,810.62
Greenhouse gas emissions per capita (Scope 1 and Scope 2)	Tonnes of carbon dioxide equivalent/headcount	0.63	0.49	0.65
Greenhouse gas emission per unit area (Scope 1 and Scope 2)	Tonnes of carbon dioxide equivalent/sq. m.	0.04	0.03	0.04
Total electricity consumption	KWH	1,199,902.90	1,104,924.90	1,945,102.00
Electricity consumption per capita	KWH/headcount	910.40	703.33	1,078.22
Electricity consumption per unit area	KWH/sq. m.	83.73	76.39	69.08
Petroleum consumption of self-owned vehicles	Litre	13,293.75	14,700.00	14,269.00
Total water consumption	Tonnes	3,714.99	4,152.18	4,902.95
Water consumption per capita	Tonnes/headcount	2.82	2.64	2.72
Water consumption per unit area	Tonnes/sq. m.	0.16	0.17	0.17

Note 1: The statistics are based on the headquarters and branches of Orient Investment Banking, headquarters of Orient Securities Innovation Investment, Orient Securities Capital Investment, Orient Securities Asset Management and Orient Futures, and parent company and subsidiaries of Orient Finance Holdings.

Note 2: The scope of greenhouse gas emissions in 2019 and 2020 includes direct emissions from the combustion of gasoline by self-owned vehicles and indirect emissions from purchased electricity. The scope of greenhouse gas emissions in 2021 includes direct emissions from the combustion of gasoline by self-owned vehicles and indirect emissions from purchased electricity and employee business travel, measured in the same way as the parent company of DFZQ.

Note 3: Water and electricity charges included in the property management fees of certain subsidiaries cannot be counted, and therefore relevant environmental data are based on estimation.

Note 4: In 2021, a new server room was built for Orient Securities Asset Management, which resulted in a substantial increase in total electricity consumption and greenhouse gas emissions within Scope 2.

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Social performance

Customer service performance

Customer service performance table

Indicator	Unit	2019	2020	2021
Number of customer enquiries through 95503 hotline (manual)	Case	178,591	141,760	145,403
Number of complaints	Case	0	13	12
Proportion of handled complaints	%	–	100	100
Customer satisfaction rate	%	84	85	86

Note 1: With the introduction of online consultation channels, some of the customers who previously chose 95503 telephone will be diverted, resulting in a decrease in the number of inquiries received by 95503 telephone (manual) in 2020 and 2021.

Note 2: The customer satisfaction survey is conducted through the customer satisfaction follow-up project for investment advisory customers, customers of margin financing and securities lending business and stock options business, and by adding questions on customers' satisfaction with the Company's service staff in the follow-up review for existing customers and customers of fund investment advisory business.

Supplier performance

Supplier performance table

Indicator	Unit	2019	2020	2021
Number of mainland suppliers	Supplier	37	43	46
Number of suppliers in Hong Kong, Macao, Taiwan and overseas	Supplier	0	0	0

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Employee performance

Employee composition performance table

Indicator		Unit	2019	2020	2021
Total employees (full-time contracted employees)		Person	5,772	6,339	6,948
By gender	Male	Person	3,171	3,440	3,872
	Female	Person	2,601	2,899	3,076
By age	>50	Person	207	220	255
	30 to 50	Person	3,655	4,140	4,260
	<30	Person	1,910	1,979	2,433
By region	Mainland	Person	5,608	6,129	6,731
	Hong Kong, Macao, Taiwan and overseas	Person	164	210	217

Note: The above statistics of total employees are the number of full-time employees who entered into labour contracts with DFZQ, Orient Futures, Orient Securities Asset Management, Orient Securities Capital Investment, Orient Finance Holdings, Orient Securities Innovation Investment and Orient Investment Banking.

Employment performance table

Indicator		Unit	2019	2020	2021
Employee turnover rate		%	13	14	14
By gender	Male	%	14	16	16
	Female	%	12	12	12
By age	>50	%	9	14	12
	30 to 50	%	10	11	11
	<30	%	19	20	24
By region	Mainland	%	13	14	14
	Hong Kong, Macao, Taiwan and overseas	%	0	0	0
Number of male management staff		Person	199	209	190
Number of female management staff		Person	67	67	58
Number of newly-recruited fresh graduates		Person	196	213	116
Number of minority staff		Person	156	86	193
Number of disabled staff		Person	2	3	3

Note 1: The above data are based on the parent company of DFZQ.

Note 2: The management staff includes management personnel above the level of assistant to the department general manager within the Company and management personnel above management level within securities branches from 2019 to 2021.

Note 3: In 2021, the Company focused more on key positions for campus recruitment with enhanced recruitment standards, resulting in the decrease in the number of newly recruited fresh graduates.

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Employee rights performance table

Indicator	Unit	2019	2020	2021
Labor contract signing rate	%	100	100	100
Social insurance coverage rate	%	100	100	100
Total incidents of labor discrimination	Case	0	0	0
Number of work-related fatalities	Person	0	0	0
Lost days due to work-related injuries	Day	0	0	60
Staff health check coverage rate	%	100	100	100
Staff occupational disease incidence	%	0	0	0

Note: The above statistics are based on the parent company of DFZQ.

Employee training performance table

Indicator	Unit	2019	2020	2021
Participants of employee training	Person	42,192	103,176	136,106
Coverage ratio of employee training	%	100	100	100
By gender	Male	100	52.21	51.71
	Female	100	47.79	48.29
By employee type	General staff	100	93.60	98.48
	Middle management staff	100	6.04	1.33
	Senior management staff	100	0.18	0.19
Average training hours received by an employee	Hour	38	38	35
By gender	Male	38	38	35
	Female	38	38	35
By employee type	General staff	38	38	35
	Middle management staff	38	38	35
	Senior management staff	53	53	35
Proportion of staff receiving regular performance and career development assessments	%	100	100	100

Note 1: The above statistics are based on the parent company of DFZQ.

Note 2: For 2019, the training coverage of employees under each category = the number of employees in the specific category receiving training/the number of employees in the specific category. For 2020 and 2021, according to "How to Prepare an ESG Report – Appendix III: Reporting Guidance on Social KPLs" published by the Hong Kong Stock Exchange, the calculation method is modified as: the training coverage of employees under each category = the number of employees in the specific category receiving training/the total number of employees receiving training from 2019 to 2021.

Note 3: Training hours per year of employees under each category = training hours received by employees in the specific category/the number of employees in the specific category.

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Social contribution performance

Social contribution performance table

Indicator	Unit	2019	2020	2021
External donation	RMB0'000	3,545	3,512	3,959
Annual fund-raising amount of Xindeyizhang Public Welfare Foundation	RMB0'000	1,450.00	1,458.00	820.26
Annual expenditure of Xindeyizhang Public Welfare Foundation	RMB0'000	660.00	703.00	1270.79

Note: Affected by external donation needs for pandemic control and prevention and other purposes, certain public welfare funds of the Foundation were largely raised in 2020 and such funds were spent in batches in 2020 and 2021 in line with the progress of projects, resulting in a significant increase in public welfare expenditure in 2021.

Employee voluntary service performance table

Indicator	Unit	2019	2020	2021
Number of employee volunteers	Person	146	193	201
Total length of employee voluntary services	Hour	555	672	797

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REPORT INDEX

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Guidelines for Self-Regulation of Listed Companies on the Shanghai Stock Exchange No. 1 – Regulation of Operations – Chapter 8 Social Responsibilities		
Guideline requirement	Index of chapters in this report	
8.1	3.3	Optimizing Customer Services
	4.1	Active Response to Climate Change
	4.3	Environmental Protection Activities
	5.1	Safeguarding Rights of Employees
	6.1	Fully Promoting Rural Revitalization
	6.2	Supporting Social Welfare
8.2	2.2	Adhering to Business Ethics
	3.3	Optimizing Customer Services
8.3	1.1	Philosophy of Sustainable Development
	1.2	Sustainable Development Management
8.4	Key Quantitative Performance Table	
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	4.1	Active Response to Climate Change
	4.3	Environmental Protection Activities
	5.1	Safeguarding Rights of Employees
	6.1	Fully Promoting Rural Revitalization
	6.2	Supporting Social Welfare
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8.8	4.1	Active Response to Climate Change
	4.3	Environmental Protection Activities
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	4.3	Environmental Protection Activities
8.10		
8.11	4.1	Active Response to Climate Change
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8.13	3.3	Optimizing Customer Services
8.14	5.1	Safeguarding Rights of Employees
	5.2	Focusing on Talent Cultivation
	5.3	Heartfelt Care for Employees
8.15	3.3	Optimizing Customer Services

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE OF HONG KONG STOCK EXCHANGE (EFFECTIVE FROM 1 JANUARY 2022)

Aspect, general disclosure and key performance indicator

Disclosure chapter

Main scope A. Environment

Aspect A1. Emissions

General Disclosure A1	4.1 Active Response to Climate Change
KPI A1.1	Key Quantitative Performance Table
KPI A1.2	Key Quantitative Performance Table
KPI A1.3	Key Quantitative Performance Table
KPI A1.4	Key Quantitative Performance Table
KPI A1.5	4.1 Active Response to Climate Change
KPI A1.6	4.1 Active Response to Climate Change
	4.3 Environmental Protection Activities

Aspect A2. Use of Resources

General Disclosure A2	4.1 Active Response to Climate Change
	4.3 Environmental Protection Activities
KPI A2.1	Key Quantitative Performance Table
KPI A2.2	Key Quantitative Performance Table
KPI A2.3	4.1 Active Response to Climate Change
KPI A2.4	4.1 Active Response to Climate Change
KPI A2.5	Such indicator is not applicable as the Company only provides financial products

Aspect A3. The Environment and Natural Resources

General Disclosure A3	4.1 Active Response to Climate Change
	4.3 Environmental Protection Activities
KPI A3.1	4.1 Active Response to Climate Change
	4.3 Environmental Protection Activities

Aspect A4. Climate Change

General Disclosure A4	4.1 Active Response to Climate Change
KPI A4.1	4.1 Active Response to Climate Change

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Aspect, general disclosure and key performance indicator

Disclosure chapter

Main scope B. Society – Employment and Labor Practices

Aspect B1. Employment

General Disclosure B1	5.1 Safeguarding Rights of Employees
	5.2 Focusing on Talent Cultivation
KPI B1.1	Key Quantitative Performance Table
KPI B1.2	Key Quantitative Performance Table

Aspect B2. Health and Safety

General Disclosure B2	5.3 Heartfelt Care for Employees
KPI B2.1	Key Quantitative Performance Table
KPI B2.2	Key Quantitative Performance Table
KPI B2.3	5.3 Heartfelt Care for Employees

Aspect B3. Development and Training

General Disclosure B3	5.2 Focusing on Talent Cultivation
KPI B3.1	5.2 Focusing on Talent Cultivation
KPI B3.2	5.2 Focusing on Talent Cultivation

Aspect B4: Labour Standards

General Disclosure B4	5.1 Safeguarding Rights of Employees
KPI B4.1	5.1 Safeguarding Rights of Employees
KPI B4.2	5.1 Safeguarding Rights of Employees

Main scope B. Community – Operating practices

Aspect B5. Supply Chain Management

General Disclosure B5	2.2 Adhering to Business Ethics
KPI B5.1	Key Quantitative Performance Table
KPI B5.2	2.2 Adhering to Business Ethics
KPI B5.3	2.2 Adhering to Business Ethics
KPI B5.4	2.2 Adhering to Business Ethics

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Aspect, general disclosure and key performance indicator

Disclosure chapter

Aspect B6. Product Responsibility

General Disclosure B6

KPI B6.1

KPI B6.2

KPI B6.3

KPI B6.4

KPI B6.5

3.3 Optimizing Customer Services

Such indicator is not applicable as the Company only provides financial products

3.3 Optimizing Customer Services

3.3 Optimizing Customer Services

Such indicator is not applicable as the Company only provides financial products

3.3 Optimizing Customer Services

Aspect B7. Anti-corruption

General Disclosure B7

KPI B7.1

KPI B7.2

KPI B7.3

2.2 Adhering to Business Ethics

2.2 Adhering to Business Ethics

2.2 Adhering to Business Ethics

2.2 Adhering to Business Ethics

Aspect B8. Community Investment

General Disclosure B8

KPI B8.1

KPI B8.2

6.1 Fully Promoting Rural Revitalization

6.2 Supporting Social Welfare

6.3 Actively Participating in Voluntary Services

6.1 Fully Promoting Rural Revitalization

6.2 Supporting Social Welfare

6.3 Actively Participating in Voluntary Services

Key Quantitative Performance Table

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ON THIS REPORT

Coverage

Time scope:	From January 1, 2021 to December 31, 2021, with certain content beyond this scope.
Period of release:	This report is an annual report and its precedent was prepared for year 2020.
Organizational scope:	Unless otherwise stated, the scope of this report corresponds to that of the annual consolidated financial statements of the Company. The full names and abbreviations of the subsidiaries within the consolidation scope covered in this report are set out in the table below.

Company full name	Abbreviations
DFZQ	DFZQ or the parent company
Orient Securities Investment Banking Co., Ltd.	Orient Investment Banking
Shanghai Orient Securities Asset Management Co., Ltd.	Orient Securities Asset Management
Orient Finance Holdings (Hong Kong) Limited	Orient Finance Holdings
Orient Futures Co., Ltd	Orient Futures
Shanghai Orient Securities Capital Investment Co., Ltd.	Orient Securities Capital Investment
Shanghai Orient Securities Innovation Investment Co., Ltd.	Orient Securities Innovation Investment

Data statement

The data and cases in this report come from the original records or financial reports of DFZQ and its subsidiaries in actual operation. The financial data of this report are in RMB. In the event of any discrepancy between the financial report and this report, the financial report shall prevail.

Basis of preparation

This report was prepared according to the Guidelines for Self-Regulation of Listed Companies on the Shanghai Stock Exchange No. 1 – Regulation of Operations of the Shanghai Stock Exchange and the Environmental, Social and Governance Reporting Guide of Hong Kong Stock Exchange (Effective from 1 January 2022) with reference to the Guidelines for the Content and Format of Information Disclosure by Companies Offering Securities to the Public No. 2 – Content and Format of Annual Reports (amended in 2021) issued by the CSRC.

DFZQ 2021 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Reporting principles

The process of preparation of this report follows the reporting principles of the Environmental, Social and Governance Reporting Guide of the Hong Kong Stock Exchange, with specific application as follows:

Materiality:	This report identifies the key issues to be addressed in the report through the identification, communication and analysis process of materiality analysis.
Quantitative:	This report discloses the key quantitative performance indicators (see the section headed “Key Quantitative Performance Table” for details) and provides explanations of the meaning of the indicators, the basis and formulae for their calculation.
Balance:	The content of this report reflects objective facts and discloses indicators involving both positive and negative information.
Consistency:	This report specifies and data collection method and scope of the key quantitative performance indicators disclosed, and also ensures, as far as possible, that the indicators and their calculation methods are consistent across different reporting periods to reflect changes in performance levels.

