

2022 
ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT



CONTENTS

ESG MANAGEMENT STATEMENT OF THE BOARD	01
GUOTAI JUNAN SECURITIES AT A GLANCE	03
COMMUNICATION WITH STAKEHOLDERS AND SUBSTANTIVE ANALYSIS	09
CONTRIBUTING TO THE SUSTAINABLE DEVELOPMENT GOALS (SDGs)	13

01

FORGING AHEAD AND MOVE TOWARDS HIGHER QUALITY DEVELOPMENT 15

Topic: Deepening responsibility management and consolidating ESG core 17

Adhering to the Party's leadership and lighting the "red engine"	21
---	----

Strengthening risk prevention and control to build a solid foundation for the enterprise 24

02

UPHOLDING INTEGRITY AND INNO- 36
VATION, COMMITTED TO SERVING
THE COUNTRY IN FINANCE

Topic: Deepening regional development and serving national strategies 38

Strengthening innovation leadership and striving for inclusive finance 44

Deepening digital transformation and providing quality services 47

03

ADHERING TO THE SPIRIT OF HON- ESTY AND PRAGMATISM AND FI- NANCE FOR GOOD

Topic: Gathering force ahead
and creating a vision for
common prosperity 47

Striving for rural revitalization and practicing public welfare and charity	50
	57

Adhering to the people-oriented concept to promote talent development

04

LOW-CARBON FIRST, DRAWING A
BLUEPRINT FOR LUCID WATERS
AND LUSH MOUNTAINS 63

Topic: Supporting the "dual-carbon" goal and strengthening financial responsibility 65

Developing green finance and
integrating green ecology 69

Promoting low-carbon development
and practicing environmental
protection and public welfare

ESG MANAGEMENT POLICY AND KEY PERFORMANCE 75Corporate Governance 76Management of Social Topics 82Management of Environmental Topics 91ESG Quantitative Performance Table 93Appendix 97Awards and Recognitions 97Definitions 98Report Benchmarking Index Table 99Description of Report Preparation 104

ESG MANAGEMENT STATEMENT OF THE BOARD

Year 2022 is the final year of the "first three-year" along the strategic pathway of "Nine-Year Strategic Plan in 3 Three-Year Steps" and the year of being steadfast of Guotai Junan. Over the past 30 years, with the development and expansion of China's capital market, Guotai Junan has kept forging ahead towards its vision and goal of being a "respectable, comprehensive leading, internationally competitive modern investment bank", while remaining true to the original aspiration of serving the real economy and meeting people's wealth management needs as well as the belief of "what is of vital importance to the nation" to earnestly fulfill its mission as a state-owned financial enterprise.

Grounding its work in this new stage of development, the Company actively implemented the ESG concept and promoted the integration of ESG into the whole process of operation and management. The Company has continuously strengthened its ESG top-level design and governance system, and established a three-level governance structure of the Board-Management-Executive level. The Board fully performed the ESG strategic decision-making and supervision duties, the management was responsible for the formulation and execution of the ESG work plan, and the executive level undertook specific ESG tasks and formed ESG systematic capabilities. Leveraging the increasingly sound ESG governance structure and execution mechanism, the Company has gradually incorporated ESG into its investment and financing business activities and comprehensive risk management system, and has taken more effective measures to promote rural revitalization, environmental protection and public welfare, and shouldered the responsibility for promoting a green and low-carbon transformation and high-quality development of the economy and society as a corporate citizen.

The Company closely kept abreast of national policies, regulatory requirements and industry development trends while considering its own strategic layout to summarize substantive issues related to the Company and determine the importance and priority of substantive issues based on extensive communication with stakeholders to respond to stakeholders' concerns. In 2022, the Company added new issues such as "data security and customer privacy protection", "ESG risk management", and "responsible investment", upgraded "anti-corruption" to "business ethics", integrated the issues of "carrying out business innovation" and "serving

technological innovations" into the issue of "serving the real economy", fully demonstrating the Company's goals, initiatives and achievements in implementing the ESG concept in all aspects.

Forging ahead and moving towards higher quality development

The Company upheld financial work's political consciousness and affinity to the people and actively implemented the working mode of "Integrating of Party building" to provide a strong political guarantee for the high-quality development of the Company. It regarded cultural construction as an important pillar for its sustainable and healthy development, strengthened guarantees in terms of system, organization, manpower and capital, and explored the characteristic practices of "Four Persistence and Four Avoidances" to be selected in the Cultural Construction Practice Cases of the Securities Association of China, ranking first and received the highest rating for cultural construction in the industry for two consecutive years. It upheld the concept of "risk management creates value", improved its comprehensive risk management system, strengthened its ESG risk management capabilities to continuously improve the efficiency of group-oriented and vertical risk management.

Remaining true to the original aspiration of "Serving the Country with Financial Services through uprightness and innovation"

The Company remained true to the original aspiration of "Serving the Country with Financial Services" and bravely shouldered the mission of finance serving the people. While vigorously providing services in key areas such as Beijing-Tianjin-Hebei, the Yangtze River Delta, the Guangdong-Hong Kong-Macao Greater Bay Area and serving major strategic tasks in Shanghai, it facilitated the construction of the Belt and Road Initiative and deeply integrated into the new dual-cycle development landscape. It fully served the innovation-driven development strategy, supported the development and growth of science and technology enterprises and emerging

industries, and empowered the high-quality development of private enterprises and traditional industries. Adhering to the customer-centric approach and focusing on the vision of "SMART investment banking", the Company continued to enhance its comprehensive digital operation capabilities to further upgrade and improve its customer service system, and continuously optimize customer service experience.

Adhering to the spirit of honesty and pragmatism and finance for good

Rooted in the spirit of "enterprise integrated with country and finance for good", the Company formulated and issued an action plan to serve the goal of common prosperity, expanded and strengthened the main responsibility and core business, and created greater value for customers, employees, shareholders and the society with advanced professional services. It shouldered the responsibility of promoting rural revitalization, continued to carry out four types of assistance projects in industry, education, healthcare and people's livelihood, and actively explored the new model of "finance + public welfare". With a total investment of over RMB100 million in public welfare in recent three years, the Company won the Donating Enterprise Award of the first Shanghai Charity Award and was recommended by Shanghai municipality to participate in competing for the China Charity Award. Adhering to the concept of "Talents are primary resources", the Company further promoted the strategy of booming the Company with talents, and constantly facilitated the marketization of the talent introduction mechanism, the systematization of the training mechanism and the refinement of the management mechanism, so as to transform the "primary resources" into "the first momentum" for the high-quality development of the Company.

Low-carbon first, drawing a blueprint for lucid waters and lush mountains

As one of the first batch of securities companies to obtain the carbon trading license from the CSRC and the only securities company to carry out carbon finance business on an on-going basis, the Company pioneered to issue and implement the

Action Plan for Peak Carbon Emissions and Carbon Neutrality in the industry to build a first-class green and low-carbon modern investment bank on a best efforts basis. It continued to deepen the development of green and low-carbon industries, actively practiced the concept of responsible investment to provide full-cycle and full-chain green investment and financing services for the accelerated development of green and low-carbon industries and the transformation and upgrading of traditional industries. Being fully aware of the possible impact of climate change on its daily operation and financial business, the Company identified, evaluated and responded to climate risks, seized the opportunities of climate-related business, and carried out green data center construction and environmental protection public welfare activities.

The nine-storey hathpace is built on the base soil and a thousand-mile journey begins with the first step. Looking forward to the future, Guotai Junan will remain true to its original mission by thoroughly implementing the concept of green and sustainable development, and adhering to the strategic tasks of green development, common prosperity, rural revitalization, and regional coordinated development determined by the 20th National Congress of the Communist Party of China as the top priority in all sectors to effectively achieve organic unity of political responsibility, economic responsibility, and social responsibility, thereby contributing the financial strength to promote high-quality economic and social development and comprehensively build a modern socialist country.

This report has made detailed disclosure on the management progress and achievements of the above important issues, and the contents thereof have been considered and approved by the Board of the Company.

GUOTAI JUNAN SECURITIES AT A GLANCE

Company Profile

Guotai Junan Securities Co., Ltd. was established on August 18, 1999, by way of merger of Guotai Securities and Junan Securities, which were both founded in 1992, with a registered capital of RMB 8.907 billion. It is a long-term, continuous and comprehensive leading integrated financial service provider in China's securities industry to provide various financial services to extensive corporate, institutional and individual customers.

Name in Chinese	國泰君安證券股份有限公司
Name in English	Guotai Junan Securities Co.,Ltd.
Abbreviation in Chinese	國泰君安、國泰君安證券
Headquarters address	Guotai Junan Building, 768 Nanjing West Road, Jingan District, Shanghai, China
Business scope	Securities brokerage; proprietary securities trading; securities underwriting and sponsorship; securities investment consultation; financial advisory in relation to securities trading and securities investment activities; margin financing and securities lending; securities fund distribution; agency sale of financial products; intermediary services to futures firms; stock options market makings; and other businesses approved by the CSRC
Major controlled subsidiaries	Guotai Junan Asset Management, Guotai Junan Futures, Guotai Junan Innovation Investment, Guotai Junan Zhengyu, Guotai Junan Financial Holdings, Hua An Fund

Total assets
RMB **860.7** billion

Operating income
RMB **35.5** billion

Total staff
14,492

Listing status

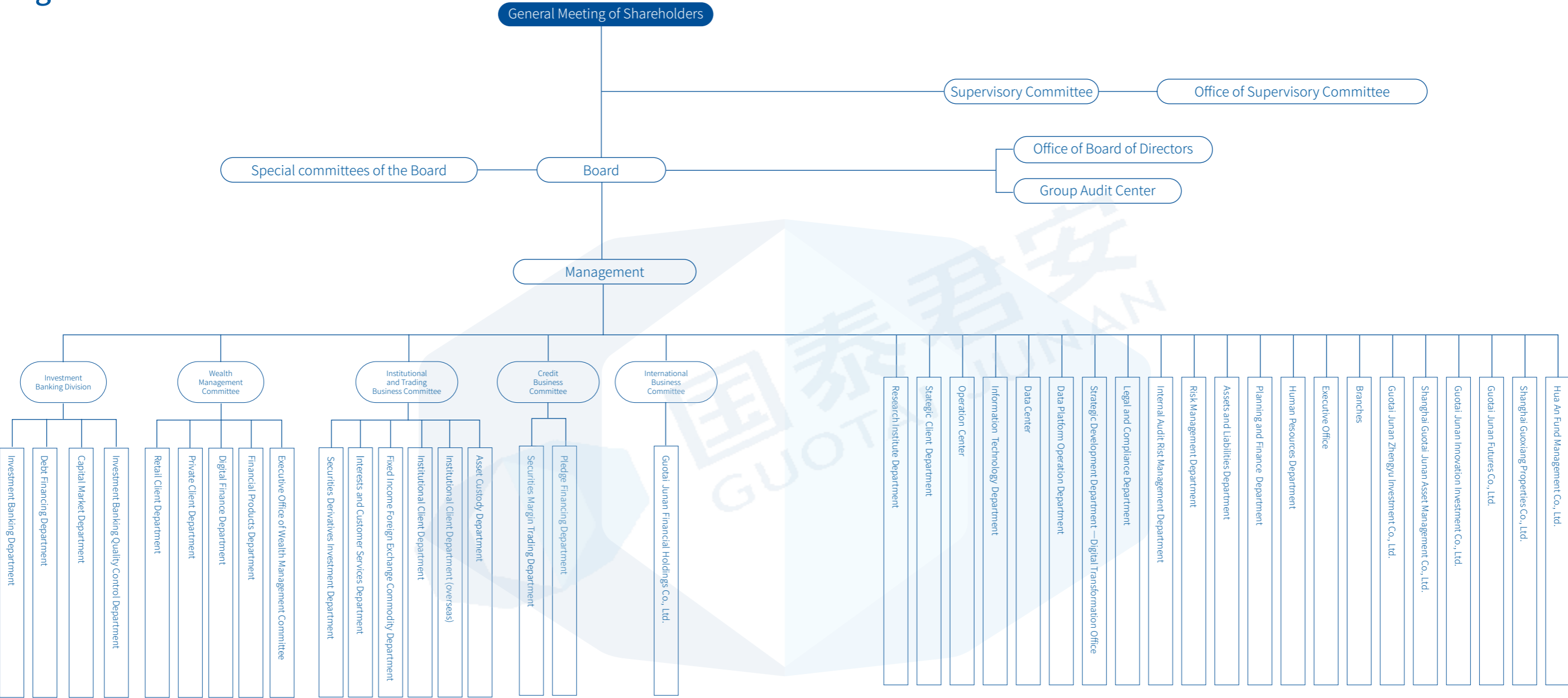
A
shares

Shanghai Stock Exchange
Stock abbreviation: GTJA
Stock code: 601211

H
shares

Hong Kong Stock Exchange
Stock abbreviation: GTJA
Stock code: 02611

Organization Structure



Business Presence

Global footprint

6 countries and regions

Domestic branches

31 provinces/ municipalities/ autonomous regions

33 securities branch offices

16 futures branch offices

339 securities branches

9 futures branches

Global footprint



Domestic presence



- Cities in which Guotai Junan has establishment
- Exchanges that can participate in securities trading through Guotai Junan

Company Strategy

Since 2019, the Company has seized the opportunities arising from comprehensive pilot reform of state-owned assets and state-owned enterprises to actively build a complete and rigorous strategic system. It has clarified the strategic vision of becoming a **"respectable, comprehensive leading, internationally competitive modern investment bank"**, planned the strategic pathway of the "Nine-Year Strategic Plan in 3 Three-Year Steps" and stressed the strategic measures of "integrated services, digital operations, international layout and group management".

In 2022, the Company came to a successful conclusion of the "first three-year period" based on the "Nine-Year Strategic Plan in 3 Three-Year Steps", having accumulated valuable development experience to fully prepare for the new stage of the "second three-year period". The Company upheld Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as guidance, thoroughly implemented the spirit of the 20th CPC National Congress, firmly followed the path of financial development with Chinese characteristics. With the general requirement of "improving capabilities and enhancing strengths" and focusing on platform construction, it has firmly established the three pillars of core capabilities of "comprehensive service platform, leading digital technology, and sound compliance culture", comprehensively cultivated five advantages, namely "technological innovation finance, inclusive finance, regional finance, green finance, cross-border finance", and consolidated three guarantees of "manpower, capital and organization". The Company pursued progress while ensuring stability, seized opportunities, deepened reforms, rode on the momentum and continued to strive for the goal of being a "respectable, comprehensive leading, internationally competitive modern investment bank".

Respectable

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

Comprehensive leading

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

Internationally competitive modern investment bank

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

COMMUNICATION WITH STAKEHOLDERS AND SUBSTANTIVE ANALYSIS

Communication with Stakeholders

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

Stakeholders' Expectations and Demands

Key stakeholders



Issues of major concerns

- Party leadership
- Major national and regional strategies
- Compliance operation
- Risk management
- Double carbon goal
- Rural revitalization
- Industry culture construction

- Corporate governance
- Compliance operation
- Risk management
- ESG risk management
- Business ethics

- Safeguarding customer rights
- Digital transformation
- Serving the real economy
- Data security and customer privacy protection
- Responsible investment
- Investor education
- Green finance

- Employee development
- Employee rights and benefits

- Supplier management
- Business ethics

- Double carbon goal
- Rural revitalization
- Social welfare
- Green and low-carbon operation

Communication methods and channels

- High-quality Party building leading high-quality development
- Serving Shanghai's major strategic tasks
- Implementing government and regulatory policies
- Reception of researches and visits
- Establishing an overall risk management system
- Releasing the Action Plan for Peak Carbon Emissions and Carbon Neutrality
- Serving the goal of common prosperity In-depth development of industry culture construction
- Serving the Common Prosperity Target

- Convening general meetings
- Improving corporate governance mechanism
- Strengthening information disclosure and investor communication
- Establishing a comprehensive risk management system
- Strengthening compliance operation and anti-money laundering management
- Improving the anti-corruption system

- Optimizing customer consultancy and complaint handling mechanism
- Providing quality investment and financing services
- Promoting the implementation of digital transformation projects
- Upgrading Guotai Junan Junhong APP
- Supporting the technological innovation industries, public offering of REITs
- Improving information security and customer privacy protection
- Practicing responsible investment strategies
- Carrying out investor education activities
- Carrying out appropriateness management
- Establishing comprehensive cooperation relationship with strategic customers

- Promoting the talents to strengthen company strategy
- Improving the remuneration and welfare system
- Empowering employees' career development
- Carrying out employee care activities

- Daily communication
- Promoting industry cooperation and communication
- Carrying out bidding activities
- Promoting anti-commercial bribery
- Carrying out supplier assessment and evaluation

- Providing green investment and financing services
- Promoting the four major assistance projects for rural revitalization
- Building a professional public welfare platform
- Carrying out public welfare volunteer activities
- Implementing energy saving and emission reduction measures

Analysis of Substantive Issues

In light of the industry development trend and its own development strategy, the Company identified, prioritized and summarized 21 substantive social responsibility issues that are of great importance to the Company and stakeholders in accordance with GRI's "Global Sustainability Reporting Standards" and the Hong Kong Stock Exchange "Environmental, Social and Governance Reporting Guidelines" for the definition process and methods of substantive issues, and disclosed key information on the management and performance of substantive issues in the ESG Report of this year to better respond to the demands and expectations of stakeholders.

Guotai Junan's Analysis Process of Substantive Issues

Identification stage	Interpreting macro policies and industry hotspots based on the development strategy of the Company, clarifying the policy orientation and development opportunities for Guotai Junan to fulfill its responsibilities; updating and adjusting substantive issues of social responsibility of Guotai Junan in accordance with the ESG information disclosure requirements of the Shanghai Stock Exchange and the Hong Kong Stock Exchange as well as the concerns of domestic and foreign ESG rating agencies and the similar standards of the comparable companies.
Assessment stage	Communicating with stakeholders in daily business activities, understanding the focus of stakeholders in light of the interviews with key departments of the Company and external expert judgments, etc., to assess the impact of each substantive issue of social responsibility, and to evaluate 21 issues from the two perspectives of importance to the stakeholders and importance to Guotai Junan.
Report stage	Constructing Guotai Junan's substantive issue matrix of social responsibility based on the issue assessment results, sorting the issues depending on the priorities of the issues, and highlighting the disclosure of highly substantive issues in the report for ease of review and supervision by the Board of the Company.

Major Changes in the Substantive Issues of Guotai Junan in 2022

Substantive issues in 2021	Substantive issues in 2022	Reason for changes
Carrying out business innovation Serving technological innovation	Serving the real economy	In response to the national requirement of "serving the high-quality development of the real economy", the Company, as the "gatekeeper" of the capital market, takes the responsibility to serve the real economy in an all-round way and reflects the key points and characteristics of its social responsibility
Anti-corruption	Business ethics Data security and customer privacy protection Responsible investment ESG risk management	The Company gives more comprehensive response to concerns of regulators, ESG rating agencies and capital markets

Guotai Junan Substantive Issues Matrix


Importance to stakeholders	High	<ul style="list-style-type: none"> Safeguarding customer rights Employee development Employee rights and benefits Rural revitalization Social welfare Data security and customer privacy protection 	<ul style="list-style-type: none"> Major national and regional strategies Party leadership Serving the real economy Double carbon goal Digital transformation Industry culture construction
	Middle	<ul style="list-style-type: none"> Investor education Supplier management Green and low-carbon operation 	<ul style="list-style-type: none"> Corporate governance Risk management ESG risk management Compliance operation Business ethics Responsible investment
		Importance to Guotai Junan	High





CONTRIBUTING TO THE SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The 17 SDGs of the United Nations call on the whole world to act in concert to eliminate poverty, protect the earth, and improve the lives and futures of all people around the world, embodying the greatest global consensus on sustainable development. It is an important part of the Company's strategy to effectively fulfill its social responsibilities and contribute to the sustainable development of the society through its own sustainable development. In 2022, the Company took key actions to advance the 2030 Agenda for Sustainable Development of the United Nations.

Contributing to the global SDGs	Our actions
	<ul style="list-style-type: none"> Formulating the "Guotai Junan Action Plan for Serving Common Prosperity (2022-2025)" Promoting the construction of four major supporting systems for rural revitalization, and solving the difficulties in assisting the development of local industries, education, medical care and people's livelihood
	<ul style="list-style-type: none"> Paying attention to the health and safety of employees and creating a safe, healthy and harmonious working environment for employees Carrying out medical assistance projects to render help to the critical care families in remote areas
	<ul style="list-style-type: none"> Carrying out financial quotient education practice for left-behind children, students in primary and secondary schools in remote areas as well as hope primary schools. Organizing special education donations and education-support public welfare activities to improve education resources in remote areas
	<ul style="list-style-type: none"> Providing fair and equitable employment opportunities and a development platform for female employees. Establishing the Special Collective Contract for Protection of Special Rights and Interests of Female Employees to protect the labor rights and interests of female employees Setting up and carrying out the operation and maintenance of a Mother and Baby Room

Contributing to the global SDGs	Our actions
	<ul style="list-style-type: none"> Issuing and implementing the Action Plan for Accelerating the Resumption of Work and Production and the Action Plan for Supporting Stable Economic Growth. Strictly abiding by the employment policy of equal employment and equal pay for equal work, eliminating child labor and forced labor, creating inclusive workplace employment, and promoting productive employment Working out talent training programs such as youth talent growth plan, management trainee plan, postdoctoral scientific research workstation, etc., building a sound talent training system, and setting up hierarchical and classified talent training programs Enhancing wealth management service capabilities to meet the needs of national wealth management
	<ul style="list-style-type: none"> Supporting major regional strategies and serving regional economic development Providing comprehensive financial services to private enterprises and improving their accessibility to financial services Supporting the development of emerging industries and technological innovation industries, and promoting the transformation and upgrading of traditional industries
	<ul style="list-style-type: none"> Establishing a risk management system for addressing climate change and incorporating climate change-related risk management into the Company's risk management system Carrying out diversified energy-saving and emission-reduction measures and promoting the construction of green data center Carrying out environmental protection public welfare activities to strengthen the awareness of green and low-carbon
	<ul style="list-style-type: none"> Improving the social responsibility and ESG management framework to improve the quality and effectiveness of ESG management Attaching great importance to professional integrity and anti-corruption management, and building an organization with professional integrity

FORGING AHEAD AND MOVE TOWARDS HIGHER QUALITY DEVELOPMENT

Responsibility Background

The report of the 20th National Congress of the CPC put forward the central task of "building a great modern socialist country in all respects, realizing the second centenary goal, and comprehensively promoting the great rejuvenation of the Chinese nation through Chinese-type modernization". As a participant and builder of the high-quality development of China capital markets, Guotai Junan deepened responsibility management, adhered to the political and people-oriented financial work, unswervingly followed the path of financial development with Chinese characteristics, firmly held the bottom line of preventing systemic financial risks, and contributed financial strength to promote high-quality economic and social development and build a great modern socialist country in all respects.

Responsibility Highlights in 2022

Held **3** meetings of the Strategy and ESG Committee under the Board

Entered the list of "**Corporate Governance Demonstration Entities for State-owned Enterprises**" by the State-owned Assets Supervision and Administration Commission of the State Council

Recognized as **Class A Grade AA in the "Practice Assessment of Culture Construction of Securities Companies"** by the Securities Association of China

"Integration of the Party Building" and "Finance for Good" were awarded the honorary title of "**Shanghai State-owned Enterprise Party Building Cultural Brand**"

Material Topics Addressed in This Chapter

- Adhering To The Party's Leadership
- Industry Culture Construction
- Risk Management
- ESG Risk Management

16 PEACE, JUSTICE
AND STRONG
INSTITUTIONS



Topic: deepening responsibility management and consolidating ESG core

Concept and model of social responsibility

With the goal of becoming a "respectable, comprehensive leading, internationally competitive modern investment bank", the Company adheres to making the strategic missions of green development, common prosperity, rural revitalization and coordinated development of regions identified in the report of the 20th National Congress of the CPC as the top priority of its social responsibility work, focuses on five major areas and continues to promote high-standard and high-quality social responsibility actions, effectively realizing the organic unification of political responsibility, economic responsibility and social responsibility, and was committed to building a responsible ecosystem that encourages stakeholders to participate together and shares value with stakeholders, so as to realize the joint construction, co-creation, sharing and win-win between the Company and stakeholders.

Concept And Model of Social Responsibility of Guotai Junan



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

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

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

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

We stick to the bottom line and strive for excellence

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

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

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

We cherish our reputation and endeavor to fulfil the best

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

Structure of social responsibility and ESG management

The Company firmly believes that the development of an enterprise should resonate with the national strategy and the needs of the times. Only by pursuing the maximization of the comprehensive value of the enterprise in economy, politics, environment and society can it achieve sustainable development and integrate its development into the process of the times.

With the increasing attention and stricter requirements on environmental, social and corporate governance (ESG) by regulatory authorities and capital markets, the Company deeply recognized the importance of ESG management for the sustainable development of enterprises, and regarded ESG management as the foundation and core of the Company to fulfill its social responsibilities and achieve sustainable development.

In order to fully implement the ESG concepts, in 2022, the Company has continuously strengthened its ESG top-level design and governance system construction, and established and improved a three-level ESG work organization system of the "Board-Management-Executive level". On the basis of the established Strategy and ESG Committee of the Board, the Company has established an ESG work leadership group at the management level, which is responsible for detailing and decomposing the decision-making requirements of the Board, coordinating various business functional departments at the executive level to coordinate and promote the ESG work, so as to comprehensively improve the Company's ESG performance.

Structure of ESG Management of Guotai Junan

Level	Duty description
Monitor level	
Board of Directors	
Supervising, reviewing and making decisions on the formulation of the Company's ESG strategies and objectives, and supervising, reviewing and making decisions on the identification, evaluation and ranking of the Company's ESG substantive issues;	
Supervising the Company's implementation of ESG strategies and the progress of objectives;	
Evaluating the potential impact of ESG work on the Company's business model and related risks, listening to internal and external feedbacks on ESG work, and putting forward suggestions on the improvement of subsequent ESG work.	
The Strategy and ESG Committee of the Board	
Conducting research on the Company's medium and long-term development strategy and providing consulting advices;	
Conducting research and making recommendations on major investment and financing plans subject to the approval of the Board;	
Conducting research on the Company's ESG governance and providing decision-making consultation and recommendations, including ESG governance visions, goals, policies, etc.;	
Conducting research and making recommendations on other major issues affecting the development of the Company;	
Checking and evaluating the implementation of the above matters, and providing timely advices for necessary adjustments;	
Other duties as delegated by the Board.	
Management level	
ESG work leadership group	
Detailing and decomposing the decision-making and requirements of the Strategy and ESG Committee of the Board;	
Identifying and discussing the Company's ESG substantive issues, and determining the annual key tasks and implementation plans in daily operation and management;	
Identifying ESG risks, formulating ESG risk management objectives and plans, and supervising implementation and improvement;	
Summarizing the progress of the Company's ESG work and reporting to the Strategy and ESG Committee of the Board.	
Executive level	
Each business functional department	
Implementing the decisions and instructions of the Board of Directors, the Strategy and ESG Committee of the Board and the ESG work leadership group of the Company in relation to ESG work;	
Promoting the daily ESG work of the Company, collecting and counting ESG information and data of the Company, and reporting to the ESG work leadership group of the Company in a timely manner;	
Completing the ESG-related assessment indicators and realizing the organic integration of ESG and operation management;	
Carrying out publicity and public relations work on the ESG and handling the ESG risk events of the Company in a coordinated manner.	

In 2022, the Board of Directors of the Company fully performed its duties of supervision, review and decision-making on ESG-related matters, convened three meetings of the Strategy and ESG Committee of the Board, considered and approved the 2021 Social ESG Report of Guotai Junan, and conducted research on ESG governance of the Company and provided decision-making recommendations, including ESG visions, goals, policy formulation, etc.

Deepening ESG capacity building of the team

Introducing ESG development concepts and building ESG capabilities of the team are important aspects to support the Company's improvement in ESG management. In 2022, the Company carried out ESG-themed trainings for employees in all business lines of the headquarters, subsidiaries and branches, while at the same time key personnel were proactively selected and sent to participate in trainings of green finance hosted by external governmental organizations, to enhance their understanding of ESG concepts and the use of ESG tools to promote the building of ESG capabilities.

Comprehensive ESG training

From 18 November to 2 December 2022, the Company organized and held the "International Talents Seminar on Green Finance and ESG", covering various sub-fields of green finance and ESG investment, more than 80 students from the headquarters department, subsidiaries and branches participated in the seminar online and offline.

Business department training

On 25 November 2022, the Investment Banking Division of the Company and the Finance College jointly launched the online training on ESG Business Guidance at the Pre-IPO Stage, which mainly included ESG concepts, ESG in M&A investment and ESG in IPO investment journey, etc.



Adhering to the Party's leadership and lighting the "red engine"

Adhering to the Party's leadership

The Company adhered to the guidance of Xi Jinping's socialist thoughts with Chinese characteristics in the new era, deeply studied and implemented the spirit of the 20th National Congress of the CPC, and fully implemented the important expositions on the reform and development of state-owned enterprises and the Party building and the series of important speeches and instructions on financial work by General Secretary Xi Jinping. The Company adhered to the organic unity of the Party's overall leadership and the improvement of corporate governance, lighted the "red engine", and implemented the characteristic Party building model of "high, integrated, innovative, strict and practical (高、融、新、嚴、實)", and led high-quality development with high-quality party building.

In 2022, the Company actively implemented the "Integration of the Party Building" work model, and effectively gave play to the dual advantages of the Party's leadership and modern corporate governance, guaranteed the right orientation in the Company's development and escorted the Company for stability and long-term development.

Implementation of the brand building practice of the "Integration of the Party Building" by the Company in 2022

Promoting the integration of the Party's overall leadership and our corporate governance: giving full play to the leading role of the Party organization, implementing the leadership system of "two-way entry and cross-employment", and improving the rules of procedure of the Party Committee and the decision-making system of "Three Importance and One Large";

Promoting the integration of the Party's ideological construction and our construction of corporate culture: adhering to "ideological casting" and "theoretical foundation", solidly carrying out theoretical study of the central group of the Party Committee and creating a new platform for ideological and political education;

Promoting the integration of the Party's organizational construction and our cultivation of talents: adhering to the Party's management of talents, further promoting the talent optimization strategy, insisting on taking urgent, difficult and risky tasks as the main battlefield for training and testing cadres and talents, and accelerating the construction of strong talent pool in the industry;

Promoting the integration of the development of good Party conduct and clean government and our compliance risk control: adhering to the attitude of "taking the imperial examinations" to promote the comprehensive and strict governance of the Party to the in-depth development, deepening and improving the "four-responsibility coordination" mechanism, and building a large-scale supervision structure led by inner-party supervision and coordinated by other supervision methods, promoting the punishment on financial corruption and the prevention and control of financial risks;

Promoting the integration of the Party building by joint construction and our business development: adhering to the building of grassroots Party organization into a robust battle fortress, led by the Party building, the Company expands the circle of friends, optimizes the ecosystem, and encourages Party organizations at all levels of the Company to actively carry out learning and exchanges with local governments, financial institutions and corporate customer Party organizations

Meanwhile, the Company thoroughly studied and implemented the spirit of the 20th National Congress of the CPC, adhered to the clear direction of focusing on the grassroots level, and strived to improve the quality level of grassroots Party building work by coordinating and deploying grassroots Party building work, improving the grassroots organizational system, optimizing the grassroots Party building system and strengthening the construction of Party members and cadres.

Main Tasks to Promote the Grassroots Party Building by Guotai Junan in 2022

Continue to consolidate the foundation of grassroots Party building

- Further standardizing the establishment of the Party Committee, general Party branches, Party branches and other Party organizations under different organizational systems, so as to strengthen the work force of grassroots Party building;
- Optimizing the assessment indicators of the responsibility system for Party building work, compiling and printing questions and answers on Party building such as a briefing on party affairs at the grassroots level and guidelines for organizational life, so that the grassroots Party building can be followed by rules and regulations;
- Strengthening the construction of Party members and cadres, focusing on the development of Party members among the youth, grassroots front-line and business backbones, and regularly holding trainings for discipline inspection and supervision cadres, youth league cadres, Party activists and development targets to continuously improve Party spirit.

Coordinating and deploying grassroots Party building work

- Holding a special work meeting on grassroots Party building to promote the establishment of Party building working brand and Party building cultural brand at the grassroots level;
- Promulgating the opinions on strengthening the construction of the Company's grassroots Party workers, strengthening the allocation of grassroots Party workers, and focusing on building a high-quality and professional grassroots Party worker team;
- Building a Party building management cockpit and the "Integration of the Party Building" information platform to continuously improve the level of informatization of grassroots Party building

In 2022, the Company organized all Party members and cadres to listen and watch the opening ceremony of the 20th National Congress of the CPC, studied and formulated the Work Plan for Studying, Propagating and Implementing the 20th National Congress of the CPC (《学习宣传贯彻党的二十大精神工作方案》) immediately and held special training courses, carried out a series of theme activities and set up publicity columns, to promote the implementation of the 20th National Congress of the CPC.



The Party Committee of Guotai Junan Securities held a study meeting of the theoretical study center group (expanded) to watch the opening ceremony of the 20th National Congress of the CPC.



Special meeting of Studying and implementing the spirit of the 20th National Congress of the CPC, insisting on focusing on the clear orientation of grassroots units, and deeply promoting grassroots Party building work.



Special training class of the secretaries of grassroots Party organizations (Party Committee) to study and implement the spirit of the 20th National Congress of the CPC of Guotai Junan.



Themed Party day activities carried out by all grassroots Party organizations on the studying, publicity and implementation of the spirit of the 20th National Congress of the CPC.

In 2022, the Company received a number of recognitions for Party building:

- ✓ Won the honorary title of **"Outstanding Unit for Ideological and Political Work in the National Financial System (全国金融系统思想政治工作先进单位)"**;
- ✓ Relevant departments of the Company won the honorary title of Shanghai and the National **"Pioneer Workers (工人先锋号)"**;
- ✓ The Youth League Committee of the Company won the collective honorary title of **"Shanghai Youth May 4th Medal (上海市青年五四奖章)"**;
- ✓ The activity of **"Relaying the Party's History (接力讲党史)"** was selected as Outstanding Case of Party History Learning and Education by the Municipal SASAC and the Party Building Work Case of Securities Companies by the Securities Association of China.

Promoting the construction of industry culture

A healthy and sound industry culture is an important manifestation of the soft power and core competitiveness of the securities industry. The Company deeply grasped the high-quality development requirements of "abide by integrity and earnestly to promote the cultural construction of the securities industry", and implemented "Ten Elements of the Cultural Construction of the Securities Industry (《证券行业文化建设十要素》)" and "Further Consolidate and Promote the Cultural Construction of the Securities Industry (《进一步巩固推进证券行业文化建设工作安排》)", and regarded cultural construction as an important pillar for the sustainable and healthy development of the Company.

In 2022, the Company deeply studied and understood the core socialist values, gave full play to the planning and coordination role of the cultural construction leading group, established and improved the cultural construction work system and mechanism, innovated the model of "Integration of the Party Building" to effectively promote cultural construction, strengthened the guarantees in terms of system, organization, manpower and capital, continued to implement the characteristic practices of the "Four Persistences and Four Avoidances" (Persist in the leadership of the Party, arming with theories, and avoid act of omission and giving up struggle; Persist in serving the real economy and benefiting the people, and avoid being out of reality and self-serving; Persist in intensive cultivation, uprightness and innovation, and avoid short-termism and aberration; Persist in comprehensive incentives and collaboration, and avoid excessive incentives and self-centeredness), and continued to create new concepts, new systems and new positions to strengthen the cultural construction brand of "serving the country with financial services".

Important Practices and Achievements of Guotai Junan's Industrial Culture Construction in 2022

Spreading new concepts

- The culture construction leading group of the Company actively strengthened the propaganda of the industry culture concepts, and promoted the concepts of industry culture and the characteristic practice of Guotai Junan's "Four Persistences and Four Avoidances" at the Company's important meetings, special trainings, mainstream medias and other platforms.

Improving new systems

- Promoted the formulation of cultural construction management measures and cultural construction assessment indicators, continued to improve the Company's various systems in respect of strategic development, talent construction, compliance and risk control, and revised and implemented the Administrative Measures on Professional Ranking, the Working Rules of the Risk Management Committee and Data Asset Management Measures, etc.

Building new positions

- Upgraded the exhibition center with an overview of the Company's entrepreneurial history, development history and honor history, innovated and renovated the Party building activity room, carried out a series of cultural activities to celebrate the 30th anniversary of the establishment of the Company, and compiled and published the Company's development history of Thirty years of Hard Work-Guotai Junan's Report of the Times (《砥砺前行三十年——国泰君安的时代答卷》);
- Continued to deepen its efforts in the cultural publication of Guotai Junan People (《国泰君安人》) and the corporate WeChat publicity platform, planned and produced promotional brochures such as "Keep up with the Excellent (《向优看齐》)", published 442 tweets throughout the year, planned and produced special columns such as Celebrating the 20th National Congress of the CPC (《喜迎二十大》), and offered 132 special reports on columns such as Talking about the New Journey (《共话新征程》) and Youth Heart to the Party (《青春心向党》).

In 2022, the Company received a number of recognitions for culture construction:

- ✓ Consecutively won **the highest rating** in the Culture Construction Practice Assessment;
- ✓ Won the honorary title of **"2021-2022 Outstanding Unit for Culture Construction in the Financial System (2021-2022 年金融系统文化建设优秀单位)"** by Research Association of Ideological and Political Work of China Financial Institutions;
- ✓ Two research achievements won the Outstanding Research Achievement Award for Ideological and Political Work and Cultural Construction in the National Financial System, among which, the topic of Discussion on the Culture of Securities Industry with Chinese Characteristics (《浅议中国特色证券行业文化》) won **the first prize**;
- ✓ The characteristic practice of **"Four Persistences and Four Avoidances"** was selected as the practice case of the annual report of the industry culture construction of the Securities Association of China and ranked first.

Strengthening risk prevention and control to build a solid foundation for the enterprise

Comprehensive risk management

The Company proactively practices our concept that "risk management creates value", promotes a stable risk control culture, and establishes a four-level risk management organization system of "Board-Operation Level-Risk Control Department-Business Units", forming a multi-level, interconnected and effective check and balance operation mechanism, and establishes a collectivized and vertical risk control management system to ensure the effective implementation and orderly progress of risk management.

Risk Management Structure



In 2022, the Company adhered to the principle of "establishing rules and regulations" and improve its risk management system based on its own business characteristics and operational risk level. The Company revised the Operational Risk Management Measures (Revised in 2022) (《操作风险管理办法(2022年修订)》), the Institutional Customer Credit Management Measures (Revised in 2022) (《机构客户授信管理办法(2022年修订)》), the Financial Instruments Valuation and Risk Measurement Management Measures (Revised in 2022) (《金融工具估值与风险计量管理办法(2022年修订)》), Measures for the Administration of Business System Authority and Information Security (Revised in 2022) (《业务系统权限与信息安全管理办法(2022年修订)》) and other risk management systems and normative guidelines. Led by system construction, the Company improved the efficiency of risk management.

In order to further improve the group-level comprehensive risk management system, in 2022, the Company accelerated the implementation of the "5-3-1" risk management framework, improved the "integrated pattern" of large-scale risk control, and effectively strengthen the Group's unified risk management and control level.

Key Practices in 2022 to Improve the Group-level Comprehensive Risk Management System

Main aspects	Main contents
Consolidation of comprehensive risk management system	<ul style="list-style-type: none">Consolidate daily risk management and control: Adhere to a sound risk management style, effectively consolidate the Group's comprehensive risk management system, and continue to strengthen the management of market risk, credit risk, operational risk, liquidity risk, reputation risk and IT risk in the logic of daily risk management;Focusing on key areas of concern: The Group focused on improving the effectiveness of risk management and control in key areas of the Group, continuously enriched risk control measures, proactively empowered business risk screening and early warning, and implemented risk management of various financial businesses such as margin financing and securities lending business and investment banking business to prevent major risk events and significant loss events;Strictly adhere to the defense line of key links: Supervise all business departments, subsidiaries and sub-subsidiaries to continuously improve the risk management system and rules, rationally optimize the approval mechanism process, track and implement risk treatment and response measures in the process of risk management, and further consolidate the risk management responsibilities at each level;Promote risk prevention in advance: strengthen forward-looking risk assessment of innovative business, investment and financing business, promote internal and external communication and collaboration, expand multi-channel monitoring methods, and improve the sensitivity of risk analysis;Accelerate digital transformation of risk management: Strengthen the construction of underlying data infrastructure, promote the construction of data standardization system, realize the coverage of business data collection and solidate risk data management, building an automated and intelligent information system for comprehensive risk management.
Improving the management pattern of integrated risk control	<ul style="list-style-type: none">Promote the implementation of the "one company, one policy" management method for subsidiaries, strengthen weak links in compliance and risk control of subsidiaries, and make up for shortcomings in mechanism and process;Cooperate with the Company's strategic initiatives of the Guangdong-Hong Kong-Macao Greater Bay Area, deploy the construction of the risk management system in the Greater Bay Area;Optimize the classification and grading decision-making mechanism of trading lines, revise the assessment standards for compliance and risk control, and consolidate the frontline risk control responsibilities;Establish an agile organization flexibly, and set up a multi-unit joint team for parts with high business complexity and high correlation of various risks, optimize risk response and disposal plans, and properly resolve potential risks;Promote HuaAn Funds and other sub-subsidiaries to be included in the Group's comprehensive risk management system, implement the Group's vertical risk management requirements, and achieve full coverage of compliance and risk control.

Meanwhile, in order to further strengthen the adaptability of risk management to the Company's business and market development, the Company has effectively improved the effectiveness of risk control management by introducing professional risk management talents, strengthening business training for risk management personnel, and promoting the digital transformation of integrated risk control.

Promoting the construction of risk profile and early warning system to provide a powerful channel for risk early warning

In 2022, the Company continued to promote the construction of risk profile and early warning system, and launch multi-dimensional risk early warning applications and multi-functional system modules to help realize the systematic operation of the whole process in various work scenarios, and further improve its proactive risk early warning capability and work efficiency. In the application of specific scenarios, the Company applied the risk profile and early warning system to the prediction of potential major risk events of the Company's corporate and institutional customers. We have formed a targeted risk profile system and developed a diversified pre-warning model and rule system to provide a powerful channel for enterprise and institutional customers in risk pre-warning.

Special trainings on risk management were organized to enhance the professional capabilities of risk management personnel

In December 2022, the Company carried out a special training on operational risk management for the front-line risk control personnel of the parent company and branches, aiming to consolidate the front-line risk control responsibilities and improve the professional ability of risk management. Focusing on operational risk management, the training emphasized the importance of operational risk management. Starting from the collection of historical operational risk events, it focused on the collection process of operational risk events, the upgrade function of the event reporting system, etc., and answered questions about daily operational risk management.


ESG risk management

Incorporating ESG risks into an enterprise's comprehensive risk management system and strengthening ESG risk management capabilities are essential for an enterprise to adapt to the complex and ever-changing external environment and achieve long-term sustainable development.


Guotai Junan attaches great importance to ESG risk management at the business level, proactively incorporates ESG risk elements into the risk management process of investment and financing business, and actively considers ESG factors in project due diligence and duration management to effectively prevent ESG risks from transforming into the Company's market risk, credit risk and reputation risk, etc. At the same time, the Company paid special attention to industries with high environmental risks such as iron and steel, chemical engineering, nonferrous metals, cement, coal, shipping, machinery manufacturing and industries with high pollution, high energy consumption and overcapacity, as well as key regulated industries with high compliance risk such as education and training and games. We prudently carried out relevant businesses and controlled the concentration of industries with high ESG risks.

In addition, the Company has integrated ESG risk management into the investment and financing business of the Company's headquarter and subsidiaries. All relevant business departments and subsidiaries have actively adopted ESG risk management and control measures in relevant business processes to implement ESG risk control in the front-line business.

Specific Situation of ESG Risk Management in Investment and Financing Business



- In the pledged financing business, ESG risk management was implemented in the process of project due diligence, and ESG factors such as the quality of information disclosure and governance level of listed companies were incorporated into the process of customer review and credit analysis, and the use of corporate financing was strictly checked, to pay attention to whether the purpose of corporate financing is to invest in industries with high pollution, high energy consumption and overcapacity. It is prohibited to invest in projects that are listed in the catalogue of eliminated industries issued by relevant national ministries and commissions, or that violate the national macro-control policies and environmental protection policies.



- In respect of asset management and private equity businesses, Guotai Junan International, a subsidiary of the Company, incorporated ESG factors into the business due diligence process, established a risk triggering and reporting mechanism, and closely monitored the ESG performance of the investees during post-investment management and dynamically tracked and managed their ESG risks;
- HuaAn Funds, a subsidiary of the Company, incorporated ESG risk management into the investment research process. During the research process, it paid attention to whether the target company complies with ESG principles, formed the ESG evaluation of the target company, and applied it to investment decisions.

HuaAn Funds conducted ESG due diligence on a leading battery enterprise

In 2022, HuaAn Funds conducted ESG due diligence on a leading battery enterprise with a market value of nearly RMB1 trillion, focusing on the following aspects and making corresponding assessment results:

- In terms of environmental protection, the target company has less negative public opinion on environmental protection by inquiring the news of environmental protection incidents, corporate environmental protection practices, administrative penalties related to environmental protection, and remedial measures after environmental damage;
- In terms of social responsibility, we understood target company's social responsibility by reading its social responsibility report, and through communication with upstream and downstream enterprises, we learnt that the target company has made relevant contributions to employees, industrial chain and national targeted poverty alleviation/social charity, thereby we determined that it has performed well in terms of social responsibility;
- In terms of corporate governance, we learnt that the Company has performed well in protecting the interests of medium and small shareholders and preventing the transfer of interests by actual controllers through the research on the organizational structure of the target company and the research and interviews with the senior management.

Based on the performance of the target company in the three aspects of ESG due diligence, the due diligence personnel assessed that the target company's ESG performance was relatively good.

In recent years, among the specific categories of ESG risks, attention to climate-related risks has been increasing. According to a report by the World Economic Forum, "failure to act on climate" ranks first at the ten most pressing global risks. Against the background of national strategy of "dual carbon", the Company has paid close attention to climate-related risks, formulated coping strategies, and promoted the implementation of climate-related risk management at the level of financial business and its own operations. For details, please refer to the disclosure under Chapter "Responding to Climate Change" in this report.

The impact of ESG risks is interrelated and difficult to predict. The Company has realized that in the process of strengthening internal coordination within the Group and external cooperation, it is necessary to enhance its rapid response and adaptability to innovative businesses and non-traditional risks, and will further proactively explore the integration of ESG risk management into the three lines of defense of the Group's risk management, establish a diversified information collection and risk early warning system, formulate multi-dimensional risk early warning rules, and build the ability to perceive ESG risk trends and the ability to prevent and respond to ESG risks.



UPHOLDING INTEGRITY AND INNOVATION, COMMITTED TO SERVING THE COUNTRY IN FINANCE

Responsibility Background

The year of 2022 is the final year of the "first three years" of Guotai Junan's "three-year, three-step" strategic path concept, during which Guotai Junan resolutely implemented the general tone of "seeking progress while maintaining stability, and never slackening" and adhered to the original intention of serving the country in finance, bravely undertook the mission of finance for the people, actively served the major national and regional strategies, proactively took the role as the "promoter" of technological innovation and the "practicer" of inclusive finance, continuously improved the quality and efficiency of serving the high-quality development of the real economy, and effectively met the people's growing demand for wealth management.

Responsibility Highlights in 2022

Fintech investment reached **RMB1.799 billion** year-on-year growth **17.20%**

605 Fintech Talents, up **34%** from 2021

Assisted **11** sci-tech innovation enterprises to successfully land on the STAR Market, with an underwriting amount of **RMB15.84 billion**

18 technology innovation bonds were underwritten, with a total issuance size of **RMB22.9 billion**

68 equity projects were underwritten, **31** IPOs were underwritten, and the underwriting scale of bonds amounted to **RMB646.1 billion**

2,998 investor education activities, covering over **5.01 million** investors

Material Topics Addressed in This Chapter

- Serving Major National And Regional Strategies
- Serving The Real Economy
- Safeguarding Customer Rights
- Digital Transformation
- Investor Education



Topic: Deepening regional development and serving national strategies

The regional economy is an important component of the national economy and an important support for high-quality development. Adhering to the principle of "The Top Priorities of the Country", Guotai Junan returns to the origin of finance, actively serves the national strategy, supports the regional coordinated

development strategy, deeply participates in the major strategic tasks of Shanghai, actively contributes to the construction of the "Belt and Road Initiative", and continues to enhance the ability of integrated cross-border business development, so as to deeply integrated into the new development pattern of the "dual cycle".

Guotai Junan's 2022 Annual Action Overview of Serving Major National and Regional Strategies and Contributing to the "Belt and Road" Initiative



Serving the coordinated development of Beijing Tian-jin-Hebei

- Established and operated Xiong'an Branch
- Launched the Bank of Beijing's RMB20 billion financial bond issuance project (the first small and micro financial bond)
- Invested in Hwatsing Technology, a domestic locomotive enterprise of high-end chemical mechanical polishing equipment, and Sansec, a major domestic provider of commercial cryptographic infrastructure

Serving the "Belt and Road Initiative"

- Signed headquarter-to-headquarter strategic cooperation agreements with 22 customers in 6 major provinces along the "Belt and Road Initiatives" including Guangdong, Fujian, Guangxi and Hainan
- Provide financial services in Southeast Asia through Guotai Junan International (Singapore) Pte. Limited and Guotai Junan Securities (Vietnam) Corporation
- Assisted in the issuance of the first tranche of corporate bonds of Hainan Provincial Tourism Investment Holding Group Co., Ltd., setting a record of the lowest coupon rate of AA+ credit bonds in Hainan Province
- Launched Guangxi Auto-Wuling New Energy Financing Project
- Facilitating the issuance of the "Belt and Road Technology Innovation" Corporate Bonds

Serving the ecological protection and high-quality development of the Yellow River Basin

- Provided comprehensive financial services for enterprises in Gansu Province through financial consulting, investment consulting, bond underwriting, listing and issuance, etc., to promote the industrial upgrading and transformation
- Actively participated in carbon asset development projects such as forestry carbon sinks in Gansu Province to support the local "Dual-Carbon" business

Serving the development of the Guangdong-Hong Kong-Macao Greater Bay Area

- Formulated Guotai Junan's "Four Actions" strategy to enter the Greater Bay Area
- Established the Company's Guangdong-Hong Kong-Macao Greater Bay Area Collaborative Development Committee, which is regional in nature of its kind and market-oriented, and established a Qianhai branch
- Establish four agile service organizations, i.e. full business chains for investment bank, institutions, private sectors and quantitative trading
- Promoted the optimization and upgrading of the Greater Bay Area Action Plan for each business line and local branches, and achieved a series of important breakthroughs in various business lines

Serving the construction of Chengdu-Chongqing Economic Circle

- Built the "Jun Hua Private Fund Collective" platform jointly with the Government of Chenghua District, Chengdu City to serve the development of regional private fund institutions
- Assisted Chengdu Xingcheng Investment Group Co., Ltd. in issuing renewable corporate bonds to serve urban development
- Actively supported the development of industries in Sichuan Province and the growth of private enterprises through share pledges and industry research
- Issued the "First Phase of JIC Leasing Asset-Backed Special Plan for Chengdu-Chongqing Economic Circle in 2022"

Serving the major strategic tasks and steady economic growth of Shanghai

The Company actively leveraged its role as a "Major Force" of state-owned financial enterprises and a "Pioneer" in the securities industry in Shanghai to continuously improve its ability to serve Shanghai's major strategic tasks. In 2022, based on its main responsibilities and businesses, the Company will fully support the construction of "Three Major Tasks", "Five Centers" and "Five New Major Cities" in Shanghai , actively assist the construction of a high-level reform and opening up and the construction of demonstration pioneer area for socialist modernization in Pudong New Area, and make contribution for building the new advantages of Shanghai's quality development.

Major Achievements of Guotai Junan in Serving Shanghai's Major Strategic Tasks in 2022

Serving Shanghai to fully implement the "Three Major Tasks"

- Continued to promote the construction of the STAR Market, and as of the end of 2022, assisted 42 enterprises to access the STAR Market, raising a total of nearly RMB145.1 billion
- Participated in the alliance of state-owned assets and state-owned enterprises in the Yangtze River Delta Region, and signed strategic cooperation agreements with 59 governments, enterprises and organizations in the region as of the end of 2022
- Assisted in the "Non-public Issuance of Corporate Bonds by Shanghai Songjiang State-owned Assets Investment Operation & Management Co., Ltd. to Professional Investors (Yangtze River Delta Integration) in 2022", the first corporate bond for Yangtze River Delta integration in Shanghai
- Participated in the establishment of the Yangtze River Delta Collaborative Leading (Shanghai) Private Fund Partnership (Limited Partnership), helping the Yangtze River Delta to accelerate the formation of a future-oriented advantageous industrial cluster
- Successfully issued "Guotai Junan Lingang Innovation Industrial Park REIT" and "Guotai Junan Dongjiu New Economic Industrial Park REIT"

Serving the construction of Shanghai's "Five centers"

- Issued a special report on the construction of the Shanghai Global Asset Management Center, studied and formulated the "Proposal on the Layout of the Third Pillar of Pensions", and launched the pilot pension business
- Successfully served the "Major Asset Restructuring of Shanghai Airport", the largest restructuring project of Shanghai State-owned Assets in the past 7 years, with a total transaction size of RMB24.1 billion.
- Promoted the successful issuance of SPD Bank's RMB60 billion financial bonds, Shanghai Land's RMB7.5 billion corporate bonds, COSCO SHIPPING's RMB3 billion corporate bonds and RMB3.5 billion corporate bonds of Shanghai Songjiang State-owned Assets Investment Operation & Management Co., Ltd.
- Sponsored the successful listing of Shanghai National Center of Testing and Inspection For Electric Cable and Wire Co., Ltd., a subsidiary of Shenergy Group, on the ChiNext, becoming the only Shanghai state-owned enterprise listed on ChiNext since 2016
- Established Lingang Guotai Junan Technology Frontier Industrial Fund of RMB8 billion

Serving the construction of a high-level reform and opening up and the construction of demonstration pioneer area for socialist modernization in Pudong New Area

- Leveraging on the advantages of comprehensive financial services of "Investment + Investment banking" and "Financing + Smart financing", with the value orientation of "Cultivate Pudong, Serve Pudong and Develop Pudong", deeply deploy the footprints in the six core industries in Pudong
- Acting as the manager of the industry-leading FOF in Pudong Pioneer Area

Serving the construction of "Five New Major Cities" in Shanghai

- Deepened all-round strategic cooperation with the district governments and industrial parks where the five new cities are located, signed the "Framework Agreement on the City's Financial State-owned Enterprises Serving the Construction and Development of the Five New Cities", and signed a proposal for the high-quality development of financially empowered new cities with the Qingpu District Government
- Deeply cultivated major industries, promoted the integrated development of industry and city, and provided comprehensive financial services for investment and financing throughout the life cycle of enterprises at the five new cities
- Improved the network layout, set up innovative and characteristic branches in Lingang, a new flagship digital wealth management center and a demonstration smart outlet in Qingpu, and a new inclusive wealth center in Fengxian to achieve full coverage on five new cities and strongly enhance service capability
- Acting as the manager of Shanghai Urban Renewal Guiding Fund

The Company made every effort to serve the steady economic growth in Shanghai, issued the "Action Plan for Accelerating the Resumption of Work and Production" and the "Action Plan for Supporting the Steady Economic Growth" in a timely manner, and resolutely implemented the requirement of "stabilizing the economy".

Major Achievements of Guotai Junan in Serving Shanghai's Steady Economic Growth

Serving the direct financing needs of key enterprise

- From March to June 2022, successfully issued 24 equity projects (including 13 IPO projects), with an underwriting size of over RMB24.0 billion, among which, the number of IPO issuers in April ranked first in the industry;
- Successfully issued 830 bonds, with an underwriting size of over RMB306 billion, of which Shanghai local corporate bonds amounted to RMB49.1 billion;
- Through the comprehensive financial solution of "Bond issuance + Credit protection", helped private enterprises such as Midea Real Estate Holding Limited to solve the problem of "financing difficulties".

Helping enterprises in Shanghai to accelerate their development

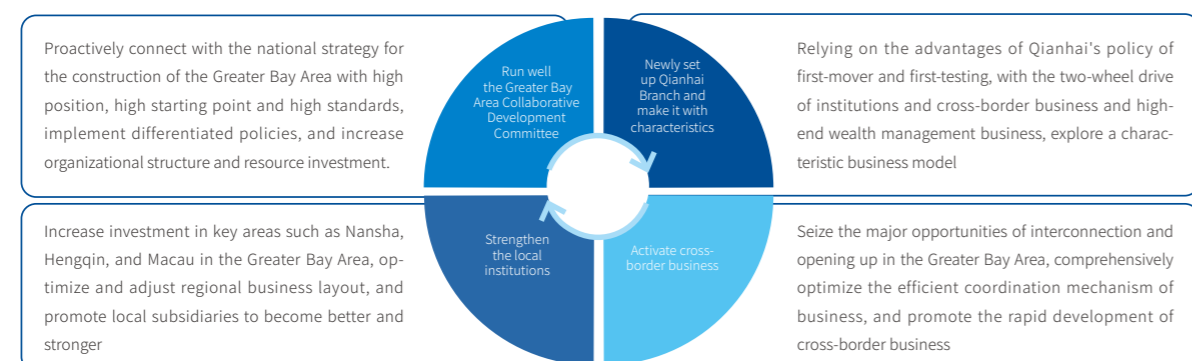
- Successfully served the "Major Asset Restructuring of Shanghai Airport", the largest restructuring project of Shanghai State-owned Assets in the past 7 years, with a total transaction size of RMB24.1 billion;
- Promoted the successful issuance of SPD Bank's RMB60 billion financial bonds, Shanghai Land's RMB7.5 billion corporate bonds, COSCO SHIPPING's RMB3 billion corporate bonds and RMB3.5 billion corporate bonds of Shanghai Songjiang State-owned Assets Investment Operation & Management Co., Ltd., the first corporate bond for Yangtze River Delta integration in Shanghai;
- Sponsored the successful listing of Shanghai National Center of Testing and Inspection For Electric Cable and Wire Co., Ltd., a subsidiary of Shenergy Group, on the ChiNext, becoming the only Shanghai state-owned enterprise listed on ChiNext since 2016;
- Accelerated the operation of Shanghai Lingang Guotai Junan Technology Frontier Industrial Fund, and cooperated to establish the Shanghai Urban Renewal Guiding Fund of RMB10 billion.

Helping brick-and-mortar enterprises reduce their operational risks

- Spared no efforts in carrying out "Guotai Junan Risk Solutions" business, leveraged the advantages of risk management tools such as futures derivatives to help brick-and-mortar enterprises cope with the risk of market price fluctuations, with a cumulative transaction amount of more than RMB280 billion.

Serving the construction of the Guangdong-Hong Kong-Macao Greater Bay Area

The Guangdong-Hong Kong-Macao Greater Bay Area is the forefront of China's reform and opening up and an important engine of economic growth. It has increasingly become one of the regions with the most active economy, the highest degree of openness, and the greatest development potential in China. The Company adhered to the concept of "emancipating the mind, adhering to a high position, a high starting point, and a high standard", and fully sounded the horn to enter the Greater Bay Area with the "Four Dos" strategic measures, and actively served the development strategy of the Guangdong-Hong Kong-Macao Greater Bay Area.



In 2022, the Company comprehensively strengthened its strategic layout in the Greater Bay Area. The Guangdong-Hong Kong-Macao Greater Bay Area Collaborative Development Committee and the Qianhai Branch were set up and the Macau subsidiary was registered with the China Securities Regulatory Commission. Each of the business lines and subsidiaries responded positively and continued to deepen reforms and innovation, improve the level of comprehensive collaborative services in the Greater Bay Area, and help accelerate the construction of a regional comprehensive financial service center and innovation demonstration highland in the Greater Bay Area.

Having assisted BYD Auto Finance's successful issuance of RMB14.0 billion green auto loan ABS

On 5 August 2022, the Company assisted BYD Auto Finance to successfully issue the "Shengshi Rongdi 2022 Phase 3 Personal Auto Mortgage Loan Green Asset-Backed Securities" (盛世融迪 2022 年第 3 期個人汽車抵押貸款綠色資產支持證券) amounting to RMB5 billion in the inter-bank bond market; on 11 October 2022, the Company assisted BYD Auto Finance to successfully issue the "Shengshi Rongdi 2022 Phase 4 Personal Auto Mortgage Loan Green Asset-Backed Securities" (盛世融迪 2022 年第四期個人汽車抵押貸款綠色資產支持證券) amounting to RMB5 billion in the inter-bank bond market. The current ABS project was the green car loan ABS product with the lowest coupon rate at that time. On 14 December 2022, the Company assisted BYD Auto Finance to successfully issue the "Shengshi Rongdi 2022 Phase 5 Personal Auto Mortgage Loan Green Asset-Backed Securities" (盛世融迪 2022 年第五期個人汽車抵押貸款綠色資產支持證券) amounting to RMB4 billion in the inter-bank bond market. The successful issuance of the above projects is a vivid practice of the Company's active response to the policy requirements of developing green finance and promoting the use of new energy, implementing the national strategic goal of "carbon peaking and carbon neutrality", and serving the country's strategy of building the Guangdong-Hong Kong-Macao Greater Bay Area.

Having supported the issuance of China's first special corporate bond for project income in the Guangdong-Hong Kong-Macao Greater Bay Area

At the beginning of 2022, Guotai Junan assisted the successful issuance of China's first special corporate bond for project income in the Guangdong-Hong Kong-Macao Greater Bay Area - "Private issuance of special corporate bonds for project income in the Guangdong-Hong Kong-Macao Greater Bay Area by Guangdong China Railway Xijiang Hi-Tech Investment Co., Ltd. to professional investors in 2022 (the first Issue)" (廣東中鐵西江高科技投資有限公司 2022 年面向專業投資者非公開發行粵港澳大灣區項目收益專項公司債券 (第一期)) in the amount of RMB500 million. The proceeds therefrom will be used for the construction of the first phase of the PPP project of Xijiang International Future Science and Technology City in Gaoyao District, Zhaoqing City. Guotai Junan, as the lead underwriter, supported the implementation of the project and injected better momentum into promoting the development of Guangdong-Hong Kong-Macao industries.

Strengthening innovation leadership and striving for inclusive finance

The report of the 20th National Congress of the Communist Party of China put forward that "the focus of economic development should be placed on the real economy and new industrialization should be promoted". Guotai Junan firmly implemented the concept of "Serving the Country with Financial Services (金融報國)". Following the strategic concept of the "Nine-Year Strategic Plan in 3 Three-Year Steps", the Company entered the "second three-year" development stage during which it will comprehensively cultivate five major advantages of "technological innovation finance, inclusive finance, regional finance, green finance and cross-border finance", solidly promote the implementation of financial services such as serving science and technology innovation industries, supporting emerging industries, empowering traditional industries, and assisting private enterprises, and actively play the role of a "promoter" of technological innovation and a "practitioner" of inclusive finance".

Serving science and technology innovation industries

Scientific and technological innovation, as an important engine for economic and social development, plays a central role in the overall situation of China's modernization drive. The Company fully serves the innovation-driven development strategy in its efforts to remain a "good partner" in scientific and technological innovation. It provides comprehensive and professional integrated finance services for the development of the scientific and technological innovation industries by creating an "investment bank +" ecology, setting up industrial funds, and creating scientific and technological innovation-themed products. Through consolidation of the Company's advantages in "Science and Technology Innovation Finance", it supports the high-quality development of high-quality science and technology innovation enterprises.

In 2022, the Company assisted **11** technology innovation companies to be successfully listed on the Science and Technology Innovation Board of Shanghai Stock Exchange, with an underwriting amount of **RMB15.843 billion**. It has also underwritten **18** technological innovation bonds amounting to nearly **RMB22.9 billion** in aggregate.

Establishment of Lingang Guotai Junan Technology Frontier Industrial Fund

In March 2022, Shanghai Lingang Guotai Junan Science and Technology Frontier Industrial Private Equity Fund Partnership (Limited Partnership) (hereinafter referred to as "Lingang Guotai Junan Technology Frontier Industrial Fund") with an initial scale of RMB8 billion was established and relevant registration has been completed, officially entering the investment stage. The industrial fund was jointly initiated and established by Guotai Junan and other institutions such as China Unicom, Shanghai International Group, Shanghai Electric, Bank of Shanghai. It is the first domestic private equity investment fund named after "Technology Frontier", providing financial support for a group of enterprises and major scientific and technological projects that represent China's scientific and technological strength and reflect the potential of China's scientific and technological innovation.

Guotai Junan, as the cornerstone investor and manager of the fund, strives to play the role of a "good partner" in technological innovation, making full use of the comprehensive financial service advantages of "investment + investment bank", "financing + intelligence integration", and spare no efforts to promote deep integration of the innovation chain, industrial chain and capital chain.



Lingang Guotai Junan Technology Frontier Industrial Fund

Assisting the listing of Hwatsing Technology, a high-end semiconductor equipment manufacturer, on the Science and Technology Innovation Board of Shanghai Stock Exchange

In June 2022, Hwatsing Technology Co., Ltd. (referred to as "Hwatsing Technology"), sponsored by Guotai Junan, was successfully listed on the Science and Technology Innovation Board of the Shanghai Stock Exchange, raising RMB3.644 billion. The proceeds were used by Hwatsing Technology to promote the industrialization of high-end semiconductor equipment, the research and development of high-end semiconductor equipment and other related principal businesses such as wafer recycling projects. The listing has become yet another successful case of Guotai Junan serving integrated circuit special equipment manufacturers to connect with the capital market.

Hwatsing Technology is currently the only equipment manufacturer in China that provides 12-inch chemical mechanical polishing (CMP) commercial models for integrated circuit manufacturers, taking the lead in breaking the decades-old monopoly of international giants in this field. As the sponsor and lead underwriter of Hwatsing Technology, Guotai Junan has arranged for the start-up of the project team since April 2019, working together to contribute to the in-depth implementation of the innovation-driven development strategy and the promotion of high-level technological self-reliance and self-improvement.

Supporting emerging industries

Emerging industries are one of the driving forces for enhancing the endogenous growth momentum of the economy and cultivating new momentum for high-quality development. Focused on strategic emerging industries such as advanced manufacturing and new-generation information technology, the Company strive to serve the direct financing of enterprises and support the development of emerging industries, providing assistance for China's economic transformation.

Focusing on emerging industries, Dongjiu New Economic REIT facilitated the cultivation of emerging industrial clusters

In September 2022, the closed-end infrastructure securities investment fund of Guotai Junan Dongjiu New Economic Industrial Park ("Dongjiu New Economic REIT") with Guotai Junan Asset Management as the fund manager and asset-backed securities manager was officially approved. The underlying assets of the project are 4 high-quality, high-level industrial parks with standard factory buildings located in the core industrial areas of Shanghai and Jiangsu Province. The industrial parks mainly serve manufacturing enterprises represented by strategic emerging industries.

The successful issuance of "Dongjiu New Economic REIT" will help enterprises revitalize their existing assets, improve the innovative investment and financing motivation of industrial parks, and cultivate and develop emerging industrial clusters. It is one of Guotai Junan's important measures to promote the high-quality development of emerging industries.



Guotai Junan Dongjiu New Economic Industrial Park

Assisting the successful listing of SICC, the first listed company manufacturing silicon carbide, on the Science and Technology Innovation Board of Shanghai Stock Exchange

In 2022, SICC Co., Ltd. (hereinafter referred to as "SICC", 688234.SH) was successfully listed on the Science and Technology Innovation Board of the Shanghai Stock Exchange, becoming the first listed company manufacturing silicon carbide. Silicon carbide substrates hold the key to the third-generation semiconductor industry and will have an important impact on the development of China's new-generation semiconductor industry.

As the first sponsor and lead underwriter of the IPO project for SICC on the Science and Technology Innovation Board, the Company professionally and efficiently completed the project declaration and review work, and escorted SICC as it successfully entered the capital market. This project is one of the important practices of the Company to actively promote the sound development of the new generation of information technology industry and support the development of emerging industries.

Empowering traditional industries

Compared with emerging industries, traditional industries are facing greater competitive pressure in the current economic environment. The Company pays attention to the development needs of traditional industries, returns to the origin of finance, promotes the transformation and upgrading of traditional industries by providing comprehensive financial services, and empowers traditional industries to play an active role in high-quality development and shaping new economic momentum.

Helping Datang Power successfully issue its first special bond for energy supply guarantee

In November 2022, the "Datang International Power Generation Co., Ltd. 2022 Tenth Phase Medium-Term Notes (Special Bonds for Energy Supply Guarantee) (大唐國際發電股份有限公司 2022 年度第十期中期票據 (能源保供特別債))" amounting to RMB2 billion, underwritten leadingly by the Company, was successfully issued. The proceeds will be all used for the purpose of ensuring the national energy and power supply security. Datang Power is one of the large independent power generation companies in China, primarily engaged in the operation of power generation business mainly based on thermal power generation. In recent years, it has actively adjusted the structure of thermal power generation plants and vigorously promoted the transformation of low-carbon and clean energy.

During the process of the project, the Company actively promoted the joint lead underwriters and various intermediary agencies to carry out relevant work, and undertook extensive offline inquiry work for market investors at the same time. By assisting in the timely and full issuance of the bonds, the Company promoted energy transformation and upgrading for relevant target, supporting high-quality development of power industry.

Assisting private enterprises

Supporting the development and growth of the private economy and private enterprises is of great significance to the realization of high-quality economic development of China. The Company takes the initiative and makes precise efforts to increase financing support for the private economy and, by innovating and providing diversified financial support tools, it has injected financial "living water" into the development of private sectors.

Assisting the successful issuance of corporate bonds of the first batch of private enterprises that created credit protection tools

In 2022, Guotai Junan successfully participated in the first batch of "Special Support Plan for Private Enterprise Bond Financing (民營企業債券融資專項支持計劃)" in the exchange market, and assisted the successful issuance of "Midea Real Estate Group 2022 Phase I Domestic Corporate Bonds (美的置業集團 2022 第一期境內公司債券)" amounting to RMB1 billion leveraged on its credit protection tool business.

The "Special Support Plan for Private Enterprise Bond Financing" is implemented by China Securities Finance Co., Ltd. (hereinafter referred to as "China Securities Finance") by using its own funds and through cooperation with bond underwriting agencies to create credit protection tools and other methods. The plan provides credit enhancement support for private enterprises' bond financing, which will help them gradually restore the function of open market financing.

As the lead underwriter of Midea Real Estate Bonds, Guotai Junan provided Midea Real Estate with a comprehensive financial solution of "private enterprise corporate bonds + credit protection tools", giving credit enhancement support for private enterprise bond financing.

Deepening digital transformation and providing quality services

The Company always adheres to customer-centricity and consolidates the pillars of core capabilities of integrated service platform and leading digital technology. Through continuing to increase its efforts in digital transformation, it has established a sound customer service system, and actively implemented investor education, to courageously undertake the mission of finance for the people.

Accelerating digital transformation

Adhering to the concept of "digitalization of everyone and everywhere", the Company is the first in the industry to put forward the digital transformation vision of "SMART Investment Bank", aiming to build the Company into a "SUPER, MATH-DRIVEN, AGILE and REVOLUTIONARY TECHIB", and build a strong engine for the Company's high-quality development through comprehensive digital transformation.

In 2022, focusing on the comprehensive digital transformation vision of "SMART Investment Bank", the Company practiced the development concept of "business digitalization and digital operationalization", accelerated the prospective research and technology deployment of new technologies, promoted the in-depth integration of technology and financial business and operation management, and transformed its technological advantages into comprehensive digital operation capabilities, and promoted digital transformation framework fully tapping into to a new stage of accumulation. In the digital transformation assessment conducted by the Shanghai SASAC for all 43 municipally regulated enterprises in the city, Guotai Junan ranked first in the financial sector, and will be reported to the State-owned Assets Supervision and Administration Commission of the State Council as the only municipally regulated state-owned financial enterprise under the digital transformation of the city.

Key Achievements of Digital Transformation of Guotai Junan in 2022

Strengthening the research and application of innovative technologies

- The Company planned a new generation of localized, low-latency decentralized technology, took the lead in the industry to independently develop and build a new generation of decentralized low-latency core trading system on information innovation, and smoothly completed the migration of all 15 million customers, becoming the most significant technological innovation in the capital market in 2022;
- The Company promoted the application of blockchain technology on the industry's first carbon repurchase financing platform based on the SSE Chain;
- The Company promoted the application of cloud computing technology, built a full-stack financial cloud platform realizing "One Cloud with Multiple Cores", and promoted the transformation to a cloud-native architecture;
- The Company promoted the application of technologies such as knowledge graph, natural language processing, machine learning and intelligent voice in various business scenarios;
- The Company basically established a high-quality data base, with a relatively complete integrated data governance system being formed.

Deepening business digital transformation

- The Company accelerated the transformation of digital wealth management, promoted the construction of two networks, the "E-network for All Services" and the "E-network under Unified Management", and developed intelligent investment advisory services to comprehensively improve customer acquisition, customer experience and business efficiency. In addition, the Company built a middle-ground of wealth management data and obtained the highest level of Enterprise Digital Maturity Model (EDMM). Moreover, the Company upgraded the Xindaohe platform to unify institutional comprehensive service terminals and provide one-stop comprehensive financial solutions to support the continuous increase of market share of the shares and funds trading of institutional customers, and the growth of volume of the QFII shares and funds trading despite the downward trend in the market;
- The Company continued to optimize the functions of the investment management system such as Guotai Junan Innovation Investment and Guotai Junan Zhengyu, to effectively facilitate the implementation of the Company's integrated business of fund-raising, investment, management and withdrawal;
- The Company promoted the construction of an intelligent digital platform for investment banking, accelerated the online integration of the entire chain of investment banking business, and empowered the Investment Banking+ ecosystem;
- The Company upgraded the Quanyuantong 3.0 (券源通 3.0) platform to promote the digitalization and precision management of upstream, midstream and downstream securities lending business, and with its help, the Company achieved a new high in its securities lending balance and market share.

Promoting digital transformation of operation and maintenance

- The Company continued to promote the construction of efficient and collaborative digital workplace and the implementation of the RPA of digital employees, and improved the work quality and efficiency in workplace;
- The Company established an intelligent decision-making system for the management cockpit to improve the efficiency of corporate operation and management.

Digital Technology Drives Accelerated Wealth Management Transformation and Upgrading

In 2022, the Company comprehensively promoted the construction of a digital wealth management ecosystem, formulated its digital transformation strategies for wealth management, and established its digital wealth management system.

- Establishing and improving the top-level design: the Company established the Wealth Management Digitalization Promotion Committee to consolidate the digital base;
- Consolidating the support of platform system: the Company established a technology support system with three core platforms, namely Jun Hong APP, Jun Hong Bai Shi Tong · Full Connection (君弘百事通·全连接) and Jun Xiang Investment Private Customized Platform, to improve the ability to acquire, use and control data;
- Establishing the intelligent service system: the Company established a full-time intelligent investment advisory business service system, namely, Jun Hong Zhi Tou, covering the three core contents of intelligent information, intelligent wealth management and intelligent transactions, providing customers with accurate and direct investment services;
- Continuously building digital brands: the Company launched a series of digital wealth management sub-brands such as 100 Selection (甄选 100), Zhitou 100 (智投 100), Junxiangtou 100 (君享投 100) and Junxiangtou 50 (君享投 50), to enhance brand recognition and influence through innovative marketing;
- Promoting the construction of digital wealth center: The Company built at least one digital wealth center in each branch, and comprehensively improved the digital operation capability.

In addition, in 2022, the Company actively implemented the concept of opening up the securities market, expanded cutting-edge technology and business ecosystem, explored open cooperation in business, data and technology, with forming a joint force to promote the digital transformation of the industry and improve the performance and efficiency of customer service of the securities industry.

Key Practices of Opening Securities Implemented by Guotai Junan in 2022

Expanding cooperation in technological innovation ecosystem

- The Company established a joint laboratory with SenseTime to formally carry out joint innovation based on intelligent decision-making, and explored in-depth cooperation with sci-tech companies for preliminary research and product planning;
- The Company actively promoted research on cutting-edge topics in various fields such as meta-universe, quantum computing, blockchain application, privacy computing and digital RMB, and successfully obtained the approval of the

Exploring multi-level business open cooperation

- The Company and Boston Consulting Group jointly released a white paper on "open securities" for 2022, for the first time in the industry, to improve the top-level plan for open securities;
- The Company cooperated with the SSE to build a carbon finance platform based on the SSE Chain;
- The Company formed an innovation pilot project for cooperation between banks and securities companies with UnionPay;
- The Company built the Quanyuantong platform 3.0 (券源通 平台 3.0), promoted the construction of the open ecosystem of the margin financing and securities lending businesses, helping them to become a new growth point of the Company.

Actively promoting the construction of industry ecosystem

- The Company organized industry forums and conferences such as the Guotai Junan Theme Day of Science and Technology Festival of SSE and the "Digitalization Helps Enterprise Management" activity of the Digital Transformation Publicity Month of Science and Technology Bureau of CSRC;
- As entrusted by the CSRC, the Company completed the publication and release of the series of books on the informatization development of securities and futures industry of China, filling the gaps in the historical literature of the industry; and undertook the compilation of industry planning reports and standards, including a white paper on the upgrade service catered for elderly of mobile application in Shanghai securities industry, and the practice report and typical cases of digital transformation of securities companies.

In 2022, the investment in fintech reached **RMB1.799 billion**, year-on-year growth **17.20%**, and the fintech team was expanded to **605 members**, representing an increase of **34%** as compared with 2021;

Including **6** invention patents obtained this year, the Company has totally **19** invention patents and **67** software copyrights.

In 2022, the Company received a number of recognitions for its digital technology innovation and application:

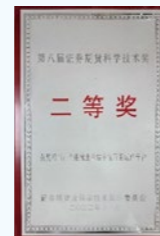
- The Company's information technology line **was awarded the National Worker Pioneer in 2022**;
- In [2022], the Company was rated as **excellent in the industry** for the acceptance of information technology application innovation projects, and **received extra points** in classification evaluation;
- The Company won **four** awards in the 8th Securities and Futures Science and Technology Awards, and ranked **first** among the securities firms in terms of both the grade and the number of awards received, and also ranked first in the industry in terms of both the number and grades of award received, making itself **the only** securities company maintain the leading position for eight consecutive years
- The Company passed the **CMMI Level 5 certification**, which is a high level of software development process maturity and normative evaluation standards, and becoming the only securities company in China that has obtained **the highest level of CMMI certification**;
- The Company is the first to pass the Artificial Intelligence for **IT Operations (AIOPS) capability maturity model certification at the highest level of excellence**;
- The Company was the first company in China to pass the GB/T 33136 service capability maturity model of data **center certification at level five (excellent level)**;
- The two projects of the Company, namely the low-latency quantitative trading ecological technology system and the intelligent risk control platform empowered by high-quality data base, **won the second and third prizes of the Fintech Development Award respectively**;
- The two projects of the Company, namely, the large-scale deployment of IPv6 and **the data-intelligence operation** and maintenance service platform driven by the dual engine of data + algorithms, were awarded as the Shanghai SASAC Informatization Demonstration Project and won the Comprehensive Award of the Junding Award for All-round **Digital transformation, and a number of awards**, including the Junding Award of **Top Ten Brand APP**, **the Junding Award for Investment Advisory Service APP** and **the Junding Award for Excellent Practitioner of APP** Digital Operation;
- As the only case in the securities industry, the Information Innovation Based Digital Workplace Project was awarded as the Excellence Case of **Digital Transformation of the Service Trade Association organized by the MIIT**.



CMMI Level 5 Certification



Information Innovation Based Digital Workplace Project - the Excellence Case of Digital Transformation



Second Prize of the 8th Securities and Futures Science and Technology Awards - Digital Intelligent Operation Platform for Fully Connected Enterprises



GB/T 33136 Service Capability Maturity Model of Data Center Certification at Level Five

Optimizing customer service

The Company always adheres to the principle of customer-centric, and has established a sound customer service system to improve the quality and efficiency of customer service. In 2022, the Company further upgraded and improved its customer service system, focusing on improving customer service response efficiency, strengthening customer service specialization, optimizing the satisfaction evaluation push system, and upgrading intelligent service capabilities, so as to continuously optimize customer service experience.

Key Achievements of Customer Service System Optimization of Guotai Junan in 2022

Focusing on retail customers



- The Company established the Wealth Management Retail Customer Service System Promotion Committee;
- The Company coordinated the construction of a retail customer service system with Jun Hong star service as the core, striving to improve the ability of advisory;
- The Company improved the service system 3.0, established standardized service specifications for the three major service systems, and formed an employee service manual and a customer service list;
- The Company promoted the integration of investment advisory, the construction of digital work platform and corporate WeChat.

Focusing on institutional customers



- The Company upgraded and built a synergy service 2.0 model for institutional customers with "integrated lines, crossed lines, added values", and improved the mechanism of collaboration and synergy;
- The Company strengthened economic transformation and upgrading financial support, and improved the quality and efficiency in serving the real economy;
- The Company comprehensively promoted the digital transformation and upgrading of its business lines, and initially created a one-stop integrated financial service platform for institutional customers, namely, Daohe.

Focusing on strategic customers



- The Company upgraded the 2.0 version of the strategic customer service system, and built a comprehensive service model with the platform-based organization and the product-based platform;
- Focusing on the national strategy, the Company cooperated with various business lines and branches to deepen the comprehensive service coordination mechanism;
- The Company built a digital intelligence system for strategic customers, launched the value chain profiling function of strategic customers, and assisted strategic account managers to issue targeted comprehensive solutions through big data.

In addition, the Company conscientiously tracked customer needs and complaints, and improved the customer complaint management mechanism by upgrading complaint channels and optimizing complaint handling procedures to ensure that customers' requests are responded to in a timely and effective manner.

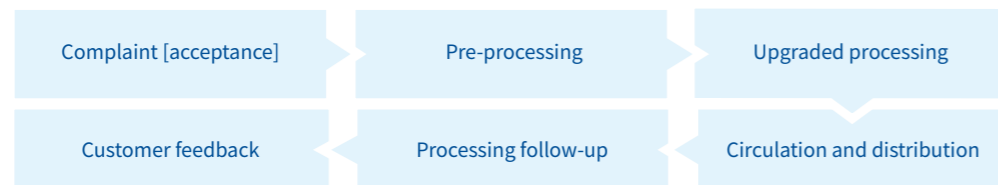
The Company launched the complaint reminder labels and report statistics function on the omni-channel platforms, and pre-processed customer complaints in respect of regulatory complaints, branches, 95521 and key customer complaints

The Company optimized profile of customers with high risk of complaints, customer group analysis, establishment of 4K labels and formulation of personalized complaint handling standards

The Company completed the amendments to the implementation rules for handling customer complaints of branches and optimized the complaint handling process

For complaints prone, the Company regularly submitted classic case analysis of complaints to the department risk management team, and regularly carried out case sharing and internal training on service skills to empower internal employees to develop skills and capabilities for handling complaints

Closed-loop Process for Handling Customer Complaints



Result of the scenario-based satisfaction survey of Junhong APP: Net Promoter Score (NPS) of a monthly average of **43.30** in 2022;

Result of satisfaction evaluation through telephone and online channels: customer satisfaction rate of **93.7%**;

Result of customer satisfaction evaluation of online communication responds: the positive five-star feedback rate of service attitude of **96%**, the positive five-star feedback rate of business level of **95%**, and the positive five-star feedback rate of service response of **94%**.

Implementing investor education

The Company strengthens investor education, guiding investors to master necessary economic and financial knowledge and establish correct investment concepts, which are of great value to protecting investors' rights and interests, promoting the long-term stable development of the capital market and realizing self-discipline in the industry.

The Company takes the protection of investors' rights and interests as the foundation of its businesses and attaches great importance to investor education. Relying on the spatial matrix of "One national investment and education base + seven provincial investment and education bases", the Company integrates online and offline resources to carry out investment and education activities in an all-round way, and develop investment education products, to broaden the influence of investment in education.

Key Practices in Investor Education of Guotai Junan in 2022

Upgrading investment education base

- The Company completed the relocation and upgrade of the national-level investment and education base at its headquarters, and realized the in-depth optimization of digitalization + technology sense + immersion by combining digital technology equipment, innovative interactive technology and meta-universal exploration to create a high-quality value-based ecosystem.

Carrying out investor education theme activities

- By combining online and offline channels, the Company organised and carried out investor education activities in various forms including lectures, knowledge contests and public welfare activities, to enhance the risk prevention awareness of investors, such as the March 15 investor protection theme education and the 2022 Investor Rights Knowledge Contest of "Here Come Shareholders (《股東來了》)";
- In 2022, the Company held a total of 2,998 investor education activities, covering more than 5.01 million investors.

Developing original investor education products

- The Company made full use of video, animation, online games and other display formats and new media platforms such as Weibo, WeChat official account and Xinhuanet to launch high-quality and diversified investment and education products, to help investors understand the risk and return characteristics of investment products and improve investment expertise and ability;
- In 2022, the Company created 692 pieces of various types of investment education works, among which, the total number of clicks on electronic investment education products exceeded 80 million, and investment education products, such as the Classic of Mountain and Sea in the Investment Market (《投資山海經》), the Extraordinary Journey with You (《緣于你的非凡之旅》), and the Openness - Our Answer (《開放——我們的答案》), received a series of awards and recognition.

Promoting investor education into the national education system

- The Company implemented the "One Meeting, One Bureau, One Division, One School" initiative through investor education on campus, investor education in 100 schools, and youth financial quotient education, to further integrate investor education into the national education system;
- The Company promoted awareness of financial quotient and view of money of teenagers, through pairing and supporting left-behind children and students of Hope Primary Schools, organizing financial quotient education practice and career experience activities, supplemented by the production of books, series of courses and ancillary products for financial quotient education;
- In 2022, the Company carried out financial quotient education activities and investment education lectures in 31 universities, middle schools and primary schools in Yunnan, Guangxi, Gansu, Guizhou and other provinces and cities, covering a total of 6,593 student.

Original investment education product of the Classic of Mountain and Sea in the Investment Market (《投資山海經》)

The Company closely followed the annual theme of March 15 of investor protection, through innovatively recreating Chinese traditional culture and mythological stories, produced and launched the original product of the Classic of Mountain and Sea in the Investment Market (《投資山海經》), and publicized the laws and regulations related to the capital market, the basic knowledge of investment behavior and investment risk, and the investment philosophy of thinking carefully and acting within our capacity, by means of illustrations, videos and new stories. The products were widely praised by investors after its launch on WeChat Official Accounts and other platforms, and won the Gold Award in the 2022 "Hey, Registration-based System!" Short Video Contest.



Classic of Mountain and Sea in the Investment Market (《投資山海經》)

In addition, in the theme activity of the Special Decade of Capital Markets organized by the CSRC, the Company, the Shanghai Securities Regulatory Bureau and the Shenzhen Stock Exchange jointly produced micro-movie works, The Extraordinary Decade with You (《緣于你的非凡十年》) and Our Answers (《我們的答案》) won the Best Production Award and the Gold Award respectively.



Micro-movies, the Extraordinary Decade with You (《緣于你的非凡十年》) and Our Answers (《我們的答案》)

In 2022, the Company has received a number of recognitions for its efforts in investor education, including:

- Received an **excellent rating** for the 2021-2022 national securities and futures investors education base assessment by the CSRC for the fourth consecutive year;
- Won the **Grade A** in the 2022 Investor Education Evaluation of Securities Companies by the Securities Association of China, the Shanghai Stock Exchange, the Shenzhen Stock Exchange and the National Equities Exchange and Quotations Co., Ltd..
- Won the **Outstanding Investor Education Award** in the 2022 Financial Sector Pioneering China "Golden Wisdom Award";
- The series of education products including the Classic of Mountain and Sea in the Investment Market (《投資山海經》), the Risk Management (《禦風賦》) and the Debt Settlement (《安營紮債》) participated in the solicitation and exhibition of investment education works of China Business Network, and won the **Gold Award, Silver Award and Excellence Award respectively**;
- Won the **Short Video Award for Investing in Education and Corporate Social Responsibility** in the "Show for Future" corporate culture short video event of the Capital Markets.



**ADHERING TO THE SPIRIT OF
HONESTY AND PRAGMATISM
AND FINANCE FOR GOOD**

Responsibility Background

Under the overall background of "steadily advancing common prosperity", Guotai Junan actively implemented the core concept of "serving the country with financial services", carried forward the social welfare spirit of "honesty and pragmatism and dedication to perfection", upheld the mission to work for the people that "enterprise integrated with country and finance for good", focused on four major sectors: rural revitalization, education support, emergency relief and empowering public welfare with financial services, striving to be a good "practitioner" of rural revitalization and public welfare. Adhering to the concept of "Talents are primary resources", the Company vigorously promoted the strategy of booming the Company with talents, so as to transform the "primary resources" into "the first momentum" for the high-quality development.

Responsibility Highlights in 2022

- Won the first "Shanghai Charity Award" and **"Donation Enterprise Award"** issued by the Shanghai Municipal People's Government
- Recommended by Shanghai municipality to participate in competing for the **"China Charity Award"**
- Guotai Junan Social Welfare Foundation spent **RMB33,007,500** in public welfare funds
- Organized four campus recruitments, and enrolled more than **300** persons who will graduate in 2023
- The total expenditure on employee training was **RMB21.69 million**, with **822,300** employees participating in the training
- Conducted **1,328,000** hours of online training and 259,000 hours of offline training

Material Topics Addressed in This Chapter

- Rural revitalization
- Employee development

- Social welfare
- Employee rights and benefits



Topic: gathering forge ahead and creating a vision for common prosperity

Common prosperity is an essential requirement of socialism and an important feature of Chinese-style modernization. As a large state-controlled securities firm, the Company deeply studied and understood the important remarks made by General Secretary Xi Jinping on common prosperity, conscientiously implemented the decision and deployment of the central government on promoting common prosperity, always adhered to the concept of "serving the country with financial services", insisted on expanding and strengthening the main responsibility and main business, and insisted on remaining true to the original aspiration of serving the real economy and meeting people's wealth management needs.

In March 2022, the Company officially issued the Guotai Junan Action Plan for Serving Common Prosperity (2022-2025) (referred to as the "Action Plan"), closely followed the four themes and fourteen measures of the Action Plan, kept forging ahead towards its strategic goal of being a "respectable, comprehensive leading, internationally competitive modern investment bank", the Company creates more value for customers, employees, shareholders and the society with leading professional services, forming a sympathy with the industry and becoming a solid promoter of common prosperity.

Four Themes of the Action Plan



**Serving the
real economy**



**Meeting people's
wealth management
needs**



**Realizing its own
high-quality devel-
opment**



**Facilitating the con-
struction of capital
markets with Chinese
characteristics**

Fourteen Measures of the Action Plan

- Upholding the Party's overall leadership, deepening the main responsibilities and businesses to facilitate the transformation and development of the capital market and the securities industry;
- Continuously improving the service capability of enterprise customers in the whole industry chain to serve the real economy in all aspects;
- Accelerating the improvement of wealth management buyer service capabilities and increasing the property income of urban and rural residents;
- Continuously improving the service capabilities of institutions to help improve the professionalism and internationalization of institutions participating in the capital market;
- Establishing core capabilities in asset management and investment research to provide more high-quality products to the market;
- Giving full play to the advantages of outlets layout to promote more balanced, coordinated and tolerant regional development;
- Strengthening external empowerment and providing research think tank services for governments, enterprises and institutions at all levels;
- Continuously improving the level of green and low-carbon financial services to promote high-quality economic and social development;
- Promoting comprehensive digital transformation and enhancing digital inclusive financial service capabilities;
- Improving the investor protection mechanism to effectively protect the legitimate rights and interests of small and medium-sized investors;
- Strengthening risk prevention and control in an all-round way to promote stable financial development;
- Improving the incentive and restraint mechanism to stimulate the internal motivation of cadres and employees to make contributions;
- Promoting the implementation of industry culture in the Company, effectively leading and ensuring the sustainable and healthy development of the Company;
- Taking various measures to promote rural revitalization and devoting ourselves to public welfare and charity, demonstrating the responsibility of state-owned financial enterprises;



Major Progress and Achievements in the Implementation of the Action Plan for 2022

Actively participating in the establishment of the pension security system and improving the investment management capability of pension products

- The first batch to dock with the third pillar information platform system of China Settlement Pension;
- The first batch to issue publicly-raised pension target fund, there were 8 Huaan Pension Target Funds as of the end of 2022, of which 6 products were included in the first batch of individual pension funds to meet the pension investment needs of different retirement age and risk preference characteristics;
- Shortlisted in the list of the first batch of individual pension business sales institutions, and the first batch of individual pension fund sales business was launched.

Devoting ourselves to public welfare and charity to continually enhance social influence

- Carried out the 10th anniversary activity of Guotai Junan Social Welfare Foundation, "grateful for you, walk along the welfare road", and launched the "finance for good" public welfare brand;
- The youth commando team of the Company specially set up a track of "social responsibility and innovation collaboration";
- The Welfare Foundation won the Donating Enterprise Award of the first Shanghai Charity Award and was recommended by Shanghai municipality to participate in competing for the China Charity Award.

Promoting the implementation of industry culture in the Company

- Summarizing the evaluation of the Company's cultural construction practice in 2021, and formulating the Report on the Evaluation of the Company's Cultural Construction Practice (《关于公司文化建设实践评估工作情况的报告》), confirming the development direction and objectives of the future cultural construction, and the relevant report was considered and approved by the Party Committee;
- Convening meetings of functional departments of the leading group for cultural construction;
- The Company's cultural construction case was selected in the Cultural Construction Practice Cases of the Securities Association of China, ranking first and received the highest rating for cultural construction in the industry for two consecutive years.

It is an important aspect of the Company to promote common prosperity through the use of financial instruments to help the general population enjoy the security of the elderly. The Company attaches great importance to the construction of the third pillar of service pension, and has formulated the Proposed Plan on the Layout of the Third Pillar of Pension in a forward-looking manner, and is committed to guiding the residents to establish the concept of long-term value investment and attracting a steady stream of medium and long-term funds to the capital market. In 2022, the Company accelerated the overall layout of pension products, investment capacity, account system, comprehensive services and establishment of institutions, so as to enhance the investment management professional service capabilities for the three-pillar pension products to promote common prosperity.

Guiding the scientific concept of pension wealth management and launching the pension product service manual

In order to continuously guide the formation of the scientific concept of pension wealth management, Guotai Junan Selected 100 launched the Guotai Junan Selected 100 Personal Pension Product Service Manual (《国泰君安甄选 100 个人养老金产品服务手册》) in a timely manner on the first day of the business, and continued to provide customer-oriented services focusing on the investment and education introduction of personal pensions.

From the long-term perspective of guiding customers to form a scientific concept of pension wealth management, the Company provides customers with full-cycle professional asset allocation services and one-stop product selection from product strategy, to product optimization, and then to portfolio configuration focusing on the "Junhong Capital Allocation Three-piece Set" to help customers achieving wealth preservation and appreciation, and promote common prosperity for large investors.

Striving for rural revitalization and practicing public welfare and charity

Deepening the influence of public welfare brands

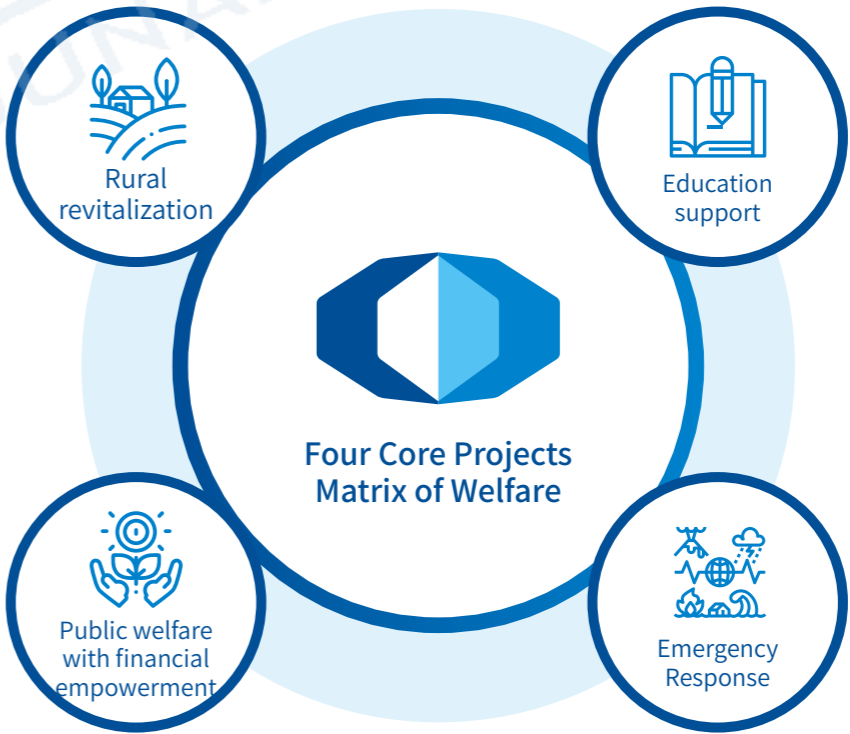
Shanghai Guotai Junan Social Welfare Foundation ("Welfare Foundation") was formally established in January 2012 and has experienced a decade of development by 2022. Over the past ten years, the Welfare Foundation actively practiced the core concept of "serving the country with financial services", adhered to the working principle of adapting to local conditions, seeking truth and being pragmatic to carry out social welfare projects in various fields.

The Company adheres to the value orientation of "enterprise integrated with country, finance for good", carries forward the social welfare spirit of "honesty and pragmatism and dedication to perfection", refines the Guotai Junan Public Welfare Consensus (《国泰君安公益共识》) and releases the brand of "finance for good" to continuously expand the social welfare circle.

In 2022,

Guotai Junan Social Welfare Foundation spent a total of **RMB33,007,500**;

Employees volunteered for **6,584 person-times** and volunteered for a total of **26,336 hours**.



Guotai Junan's Welfare Milestones in the Past Decade

2011

May Guotai Junan completed the construction of Yunnan Dandan Hope Primary School

2011-2013

Guotai Junan held charity spring auction for three consecutive years



2012

January Shanghai Guotai Junan Social Welfare Foundation was established

2013

September Jiangxi Xiaokeng Hope Primary School of Guotai Junan was completed



2013-present

Guotai Junan carried out urban-rural comprehensive assistance in Qingcun Town, Fengxian District, Shanghai

2016

Guotai Junan entered into assistance agreements with Ji'an County in Jiangxi, Puge County in Sichuan, Qianshan City in Anhui, respectively

2017 - 2019

Guotai Junan cooperated with colleges to organize summer seminars for teachers of Hope Primary School



2015-present

Guotai Junan continued to visit Caojiazhuang Nursing Home in Jing'an District, Shanghai

2017

June Guotai Junan launched the "together" project to care for left-behind children

2017-present

"Love Library" was completed in four hope primary schools

Guotai Junan continued to carry out the public welfare supplementary medical insurance project of "worry-free growth"



2018

August Guotai Junan invested RMB10 million to establish Sichuan Puge Agricultural Industry Poverty Alleviation Fund

August Guotai Junan assisted Malipo County and Guangnan County in Yunnan Province

September The 20th Anniversary of Guotai Junan Weiyuan Hope Primary School



2021

March All employees of Guotai Junan carried out "Warming Others' Hearts with One Day's Salary" donation activity

April The love lunch donated by employees of Guotai Junan was launched in 5 schools

November Guotai Junan participated in the "Joint Action Plan for the Promotion of Rural Revitalization in the Securities Industry" as the promoter

2020

January Guotai Junan set up a special fund of RMB24.2 million to fight the epidemic to help win the defense war in Wuhan

November The Company established the "Shangshan" series of Guotai Junan Hope Primary School Nutritious Lunch Charitable Trust

November Five national-level poverty-stricken counties assisted by Guotai Junan were lifted out of poverty successively.



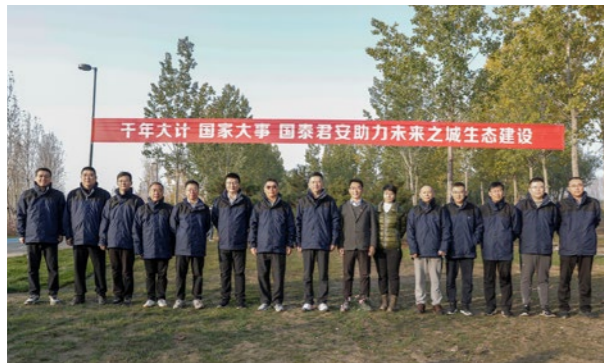
2022

February Guotai Junan Tianzhushan Town Central School was inaugurated

March Guotai Junan set up a special fund of RMB20 million to fight against the pandemic to help win the defense war in Shanghai

Guotai Junan will continue to take up the new responsibilities of state-owned enterprises and show a new image of financial enterprises, and with the height of enterprise integrated with country, the warmth of finance for good, continue to play the main theme of serving the country in finance, let wealth benefit the society and give back to the society with love, strive for the goal of "bringing financial warmth and making people happier", to add a warm background to the Chinese-style modernization.

Key Public Welfare Initiatives of Guotai Junan's Headquarters and Branches in 2022



The Company carried out tree planting activities in the northern forest belt of Xiong'an Millennium Xiulin.



The Welfare Foundation held a low-carbon charitable activity in the city of "grateful for you, walk along the welfare road"



The Welfare Foundation launched summer teacher training class



The Welfare Foundation and the Company's photography association took wedding photos and family portraits for the elderly and their families in the nursing home



Gansu branch's special donation activities for volunteer workers



Yunnan branch aided Dandan Primary School



Hunan branch conducted an on-site investigation of Zhanglv Group to help corporate financing



Shaanxi Branch funded outstanding poor college students project

Promotion of rural revitalization

The Company shoulders the responsibility of promoting rural revitalization, actively responds to the "Public Welfare Action of Promoting Rural Revitalization by the Securities Industry", gives full play to its own resource advantages, adheres to the people-oriented principle, and strives to solve the problems in the development of local industries, education, medical and people's livelihood.

Rural Revitalization Fields and Typical Projects

Industrial support

- Sichuan Puge agricultural industry fund project
- The "100 Enterprises for 100 Villages" village-enterprise pairing assistance project in Malipo County, Yunnan
- Shanghai urban and rural comprehensive assistance project

Education support

- Support project for the construction of Guotai Junan Tianzhushan Town Central School
- Hope primary school support and visiting activities
- Supporting branches to complete college student funding projects
- The fourth Guotai Junan summer teacher training class was held

Medical support

- Carrying out Shanghai-Qinghai charity partnering with Guoluo project
- Carrying out the public welfare supplementary medical insurance project of "worry-free growth"

People's livelihood support

- The "beautiful rural construction project" in Xiaohai-zi Village, Guannan County, Yunnan

Industrial support: Continuing to promote the "100 Enterprises for 100 Villages" village-enterprise pairing assistance project in Malipo County, Yunnan

The Company actively responded to the assistance action call of "100 Enterprises for 100 Villages" from the Shanghai SASAC, based on the industry and people's livelihood, the Company assisted the construction of a scalper market and a logistics center parking lot in Malipo County, and carried out the "Toilet Revolution", which improved the local industrial environment and living conditions.



Real shot for village-enterprise pairing assistance project

Education support: Carrying out the unveiling ceremony of Guotai Junan Tianzhushan Town Central School

In 2022, Guotai Junan Tianzhushan Central Primary School, which was funded and constructed by the Company, was officially inaugurated, with facilities such as love library, music classrooms and indoor playground already in use, benefiting nearly 1,600 teachers and students and becoming a local compulsory education school with the best hardware facilities.



The Unveiling Ceremony of Guotai Junan Tianzhushan Town Central School

Medical support: Carrying out Shanghai-Qinghai Charity Partnering with Guoluo project

In order to cooperate with support projects of the counterpart assistance areas in Shanghai, the Company and the Shanghai Charity Foundation jointly participated in a series of poverty alleviation projects of "Shanghai-Qinghai Charity Partnering with Guoluo" with the investment of RMB800,000. The project aimed to prevent "poverty caused by illness and return to poverty due to illness", to provide assistance to 54 needy families, 82 needy college students and 140 severely ill patients to help the people living in difficulties in Qinghai.

People's livelihood support: Carrying out the "beautiful rural construction" project in Xiaohaizi Village, Guangan County, Yunnan

The Company actively cooperated with Jing'an District in Shanghai to help rural revitalization in Guangan County, Yunnan Province. According to the local demand and natural conditions, the Company invested RMB1.35 million to help Xiaohaizi Village build a "beautiful village". In November 2022, the construction of the project was completed and the unveiling ceremony was held. The beautiful rural residence design and good sanitary conditions have greatly improved the livelihood of Xiaohaizi Village and become a model for the construction of local "beautiful village".



Real shot of "beautiful rural construction"

In 2022, for exploring the model of "finance + public welfare", the Company promoted the comprehensive revitalization of rural areas with high-quality financial work, continued to intensify exploration in charitable trusts and carbon emission reduction, strived to create a new model of empowering public welfare with finance, and played the main theme of finance for good.

Typical Project of "Finance + Public Welfare"

Agricultural Aid Project of "Insurance+Futures"



Leveraging its strengths in the financial industry, the Company provided assistance to industries such as rubber planting and hog breeding in Hainan, Hunan and other places through the tools of "insurance + futures". The project served a total of 13,000 households, of which more than 4,000 were poverty-stricken households, with an estimated compensation amount of approximately RMB3.11 million.

"Shangshan" series of Guotai Junan Low-carbon Planting Rural Revitalization Charitable Trust Project



In 2022, the Company cooperated with Shanghai Trust in Yang Wan Township, Malipo County, Yunnan Province to establish the "Shangshan" series of Guotai Junan Low-carbon Planting Rural Revitalization Charitable Trust with the term of 5 years and the scale of RMB1,000,000, jointly built the "Guotai Junan Public Welfare Forest" to support the development of the local green-peeled red-heart pomelo industry, so as to increase the income of local farmers and create more jobs.

Guotai Junan's Award in 2022 Rural Revitalization and Public Welfare Action

- Winning the first "Shanghai Charity Award" and "Donation Enterprise Award" issued by the Shanghai Municipal People's Government;
- The "finance for good" was awarded the honorary title of "Shanghai State-owned Enterprise Party Building Cultural Brand" by Shanghai SASAC;
- "Dreams and Hopes" education support project was awarded the Shanghai Social Organization Brand Project;
- Being recommended by Shanghai to participate in the "China Charity Award";
- Guotai Junan Social Welfare Foundation's "Ten Years Road for Good" was awarded the title of "Shanghai State-owned Enterprise Good News" by the Shanghai State-owned Enterprise Ideological and Political Work Research Association.

Adhering to the people-oriented concept to promote talent development

The Company adheres to the concept of "talent is the primary resource", further promotes the reform of human resources, and constantly promotes the marketization of talent recruitment mechanism, the systematization of training mechanism and the refinement of management mechanism, so as to recruit, cultivate and harness talents comprehensively and thereby provide strong talent support for quality reform and development.

Strengthening the attraction and motivation of talents

According to the annual talent recruitment scheme and the perfect talent recruitment mechanism, the Company evaluates and predicts the recruitment needs of various departments of the Company for different employers and professional fields. We constantly strengthen the brand promotion of employers through official websites, WeChat public accounts, live broadcast seminars and other channels, and improve the accuracy of talent recruitments through various channels such as assessment, interviews, internship inspections and arguments.

In 2022, the Company organized **four** campus recruitments, and enrolled more than **270** persons who will graduate in 2023.

Guotai Junan's Key Initiatives for Talent Recruitments in 2022

Recruitment of talented graduates in Shanghai



The Company actively responded to the relevant requirements of the Shanghai Municipal Party Committee and Municipal Government on promoting the employment of college graduates in Shanghai. Upon completion of the 2022 campus recruitments, the Company urgently formulated an additional recruitment scheme and launched the targeted recruitment of additional talents in early May.

Recruitment of high-end talents in the Guangdong-Hong Kong-Macao Greater Bay Area



The Company actively implemented the Greater Bay Area strategy and launched the recruitment of high-end talents in the Guangdong-Hong Kong-Macao Greater Bay Area. The Company intensified publicity through mainstream financial media and top recruitment websites, and supported the establishment and consolidation of business teams for investment banking, institutions and transactions, wealth management, cross-border investment and financing in the Greater Bay Area through various channels such as headhunting, advertising, employee recommendation and internal competition. By the end of 2022, the Company added a total of 111 new positions at the headquarters and local branches in the Greater Bay Area.

College graduate internship base scheme



The Company has established strategic cooperation relationships with more than 10 target colleges, established internship bases, and set up the "Guotai Junan Scholarship" in three colleges and universities. In 2022, the Company had 2,100 interns (including those at the headquarters and branches), who were all provided with tutors and entered into the internship agreement.

In addition, in order to effectively attract and cultivate high-end talents who meet the needs of the industry and the Company's quality development, the Company has established the training programs such as the "Diamond Youth (鑽石青春)" young talent development scheme, the "Talent Selection (君選計劃)" management trainee scheme and the postdoctoral scientific research workstation, etc., and promoted the overall development of the high-end talents recruited.

Introduction and Cultivation Program of Key Talents of Guotai Junan in 2022

"Diamond Youth (鑽石青春)" Young Talent Development Scheme



In order to enhance the autonomy of talent cultivation and accelerate the formation of a training mechanism conducive to the emergence of outstanding young employees and their rapid growth, the Company formulated the Implementation Plan for "Diamond Youth (鑽石青春)" Young Talent Development Scheme (2022-2025), launched a growth plan and designed a two-year special training program, to provide a broader stage for the development of outstanding young talents. By the end of 2022, a total of 190 employees have entered the special training program.

Program of Management Trainees under the Talent Selection (君選計劃)



The Program of Management Trainees under the Talent Selection (君選計劃) aims to cultivate versatile and managerial talents with comprehensive business capabilities for the Group. Management trainees are selected from new employees who are fresh graduates in headquarters, branch offices and subsidiaries. During 1.5 years of management period, it will provide various cultivation methods such as job rotation exchanges, mentoring, special training and theme tasks on four stages. By the end of 2022, there are 43 management trainees in total in the process of management under the Program of Management Trainees under the Talent Selection (君選計劃).

High-end talent training by post-doctoral scientific research workstation



The Company continued to cultivate innovative and versatile post-doctoral talents and steadily expand the scale of high-level talent team. By the end of 2022, the post-doctoral working station cultivated a total of 15 postdoctoral fellows, published 5 articles, including 3 articles in SSCI core journals, 1 article in SCI core journals and 1 article in foreign key journals. Two of them received incentive grants from Shanghai Super Postdoctoral Fellows (超級博士後).

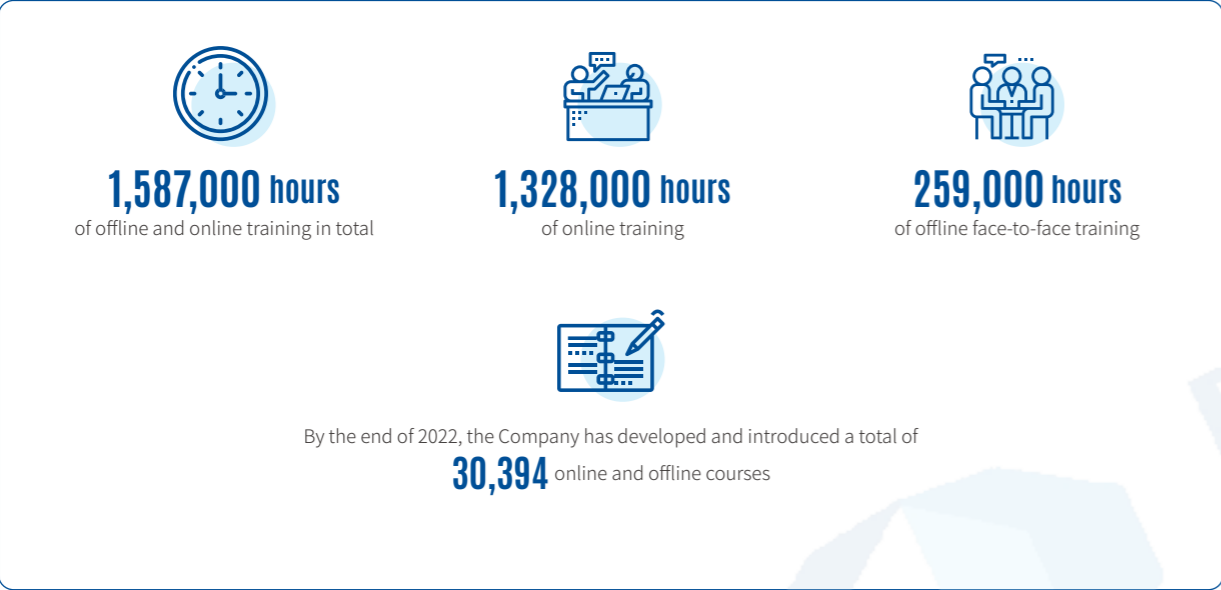
Implementing the Restricted Share Incentive Scheme of A Shares to motivate core employees

The Company launched the Restricted Share Incentive Scheme of A Shares for the first time in the industry. According to the Trial Measures for Implementation of Equity Incentives by State-controlled Listed Companies (Domestic) issued by the State-owned Assets Supervision and Administration Commission of the State Council and the Ministry of Finance, the equity incentive participants are limited to the directors, senior management, core technical personnel and management talents of the Company. In accordance with the above requirements, the Company granted restricted shares to the first batch of 440 incentive participants in 2020, and granted reserved restricted shares to 58 eligible incentive participants in 2021, accounting for 3.8% of the total number of employees of the Company. The scheme realizes the long-term binding of core talents with the interests of the Company, and builds a long-term incentive and restraint mechanism that emphasizes both incentives and constraints, and takes into account both long-term and short-term interests. The incentive scheme focuses on the strategic objectives of the Company and benchmarks against the best practices of the industry to promote the joint development of talents and the Company. In 2022, the first lock-up period for the Company's first grant of restricted A Shares expired, and the first batch of conditions on releasing selling restrictions were achieved. The Company unlocked the shares of the incentive participants according to the achievement of the performance conditions on releasing selling restrictions at the company level and the individual level, and successfully completed the first batch of releasing selling restrictions for the first grant.

Improving the talent training system

In order to adhere to the new development concept, further promote the strategy of strengthening the Company by talents, and accelerate the construction of a talent pool in the securities industry, the Company has built a multi-level talent training system, set up hierarchical and classified training programs for "business talents, management talents, international talents, and post-doctoral high-end talents", and continued to improve the general quality training system, constantly to explore the establishment of a talent training mechanism for cross-department, cross-line, and cross-major talent exchanges, covering the entire career, to enrich and optimize the growth path of employee training.

Training Results and performance of Guotai Junan in 2022



Talent Training System of Guotai Junan



Typical Plans and Achievements of the Talent Training in 2022

Business talent training

- Carried out hierarchical and classified business training in an orderly manner by organizing programs such as Wealth Management Gold Talent Cloud Classroom(理財金才雲課堂), Private Customized Business Rotation Training(私人訂製業務輪訓), Youth Commando for Institutional Business(機構業務青年突擊隊) and Consulting and Coaching Training for Improvement of VIP Customers in Branches(分支機構私客飛躍諮詢輔導培訓).
- Held trainings on the Plan of Booming the Company with Talents of the Wealth Management Committee, and launched training programs such as the Buyer Ability Enhancement Plan of Youth Commando(青年突擊隊) of "Junhong Asset Allocation"(君弘資配) and the training system framework for investment banking division.
- Held Shenzhen special training sessions in the Greater Bay Area for the elite class in private equity, and Actual Combat Training Camp for Private Customized Centers in the Greater Bay Area to actively respond to the Company's strategic layout in the Guangdong-Hong Kong-Macao Greater Bay Area.

Management talent training

- Implemented the Company's strategic planning for human resources and promoted full coverage of front-line leadership training.
- Relying on offline training + online learning, built a leadership training system for management personnel at different levels based on the multi-level talent development plan of "reserved talents, front-line management and middle-level cadres".
- Explored the allocation of diversified teaching resources such as business schools in colleges and universities, consulting institutions and digital courses to promote training agility, and empower the development and ability enhancement of management talents team.

International talent training

- Launched the "Overseas Voice of Guotai Junan (國泰君安海外之聲)" series of activities, with overseas subsidiaries in Vietnam, Singapore, and the United States participating in the sharing, and making online presentation and sharing of the status of the subsidiaries, local markets, investment trends, and dominant businesses, attracting over 2,400 participants.

General quality training

- Continued to optimize the construction of the new talent team, carried out 7 induction trainings sessions for new staff through social recruitment and campus recruitment, with a total of 1,208 trainees.
- Carried out 6 batches of programs for serving temporary positions between the headquarter and the branches in total, and the departments to serve temporary positions involved the retail customer department, fixed income foreign exchange commodity department, party committee office, etc., with a total of 7 employees to serve temporary positions.
- Carried out a series of trainings on the prevention and control of public opinion risk and on professional ethics and code of professional conduct, implemented the supervision requirements of the Company's principal leaders, and strengthened the training and education and positive guidance of the Company's employees. The total length of online learning for all employees was approximately 155,054.80 hours.

Elite training class in private equity of the ICB Talent was held to improve employees' business ability in a targeted manner

In order to build an excellent talent team with industry-leading comprehensive quality and customer expansion and marketing capabilities in private equity, the Company drew on the talent training model of MBA business schools, and took the lead in designing and developing the "elite training program in private equity of the ICB Talent (Institutional Client Business Talent)" with an emphasis on "long-term and multi-mode practice in the heartland" by in-depth on-site communication with institutional customers and enterprises to develop courses from the perspective of customers.

By the end of 2022, the Company has held 2 sessions of elite classes in private equity, published 1 "ICB Private Equity Business Casebook" and a sample library of over 100 trainees' coursework on marketing experience. Through elite class training and teaching in private equity, the comprehensive income of the institutional business of the Beijing Branch increased by approximately 41% year-on-year from January to April, and the Hubei Branch achieved multiple intra-group results such as "the first private equity registration among the branches" and "the first listed company registration".



Poster of the elite class in private equity of ICB Talent



Group photo of trainees at the elite class in private equity of ICB Talent

"Jun Shuai" series of training programs of enhancing the leadership of the front-line management fully empowered the management

In 2022, the Company carried out the "Jun Shuai" series of training programs to enhance the leadership of the front-line management for the headquarter supervisors by holding the "Jun Shuai Elite Class" or "Jun Shuai Jingying Class (菁英班)" program in cooperation with Fanhai International School of Finance of Fudan University at the beginning of the year and Advanced Institute of Finance of Shanghai Jiao Tong University at the end of the year, respectively, with a total of 110 executives trained, which was about three times the size of previous years. The training topics covered strategy and management, digital thinking, and team leadership.

Through the above management ability and leadership training programs, the Company has gradually implemented the full coverage of front-line leadership training within 5 years, and effectively improved the management level of front-line entities or teams. In addition, the training program of Jun Shuai Sunshine Class for branches adopted internationally accepted performance improvement technology to restructure the management process. Compared with the same period, the sales of fund products in the pilot business department completed 167%, the number of customer accounts grew by 117%, and new assets increased by 18%, reflecting the remarkable training results.



Group photo of trainees of the "Jun Shuai Elite (Jingying) Class" training program

Employee training programs were jointly created with external educational institutions

From November to December 2022, the Company and China Europe International Business School held a ten-day closed training program of Booming the Company with Talents, with a total of more than 50 persons including managers or above from the wealth management line, key employees, young talents, and excellent employees in the securities business department affiliated with the Shanghai Branch trained.

In terms of the three modules of cutting-edge thinking, financial expertise and management ability, the training program carried out 1 structured seminar, 2 corporate visits and surveys, 6 course morning tests, 6 rounds of graduation reply reports, 8 practical topic exchanges, 14 courses learning, having studied and collected 50 learning experiences and perceptions to comprehensively improve the employees' expertise in wealth management.



Training program of Booming the Company with Talents of the Wealth Management Committee



In addition, relying on the E-Learning digital training platform, the Company has built and constantly optimized the digital training system to promote the digital transformation of training. In 2022, the Company launched more than 10 digital learning columns, including Live Everyday (天天有直播), Online Training Camp for Community Learning (线上社群学习训练营), and Digital Finance Quality Course (数字金融精品课) to satisfy the diversified learning needs of employees. The Group held three sessions of online live skills enhancement training camps, launched 33 online courses and trained 397 persons in total to effectively reinforce the trainees' logic of live streaming content construction, strengthening live streaming interpretation capabilities, and polish online communication skills, thereby laying a solid foundation for the digital transformation of business development.

At the same time, in order to support its comprehensive digital transformation strategy and create an atmosphere of "Digitalization for everyone and everywhere", in 2022, the Company strengthened the construction of the digital training platform and the training effectiveness of digital talents and formulated the "hierarchical training plan for digital talent" to fully realize the digital training from management to executive level at three dimensions of "digital leaders, digital application talents, digital professionals" focusing on cultivating "technical talents who understand business" and "business talents who understand technology".

By the end of 2022,

the Company has held **35** training sessions related to digital transformation, including Data School (数据学堂), Digital and Intelligent Gold Talent (数智金才) and Digital Talent Show (数字达人秀),

Data Analysis Training Camp (数据分析训练营) with a total of approximately **6,500** online and offline trainees.

LOW-CARBON FIRST, DRAWING A BLUEPRINT FOR LUCID WATERS AND LUSH MOUNTAINS

Responsibility Background

It is required in the report of the 20th National Congress of the Communist Party of China to "actively and steadily promote peak carbon dioxide emissions and carbon neutrality". Guotai Junan adheres to the concept of green development, provides full-cycle and full-chain green investment and financing services at the business level, and a comprehensive carbon finance service system that is comprehensively leading in the securities industry, realizes green and low-carbon operation at the operation level through "intensification, cost reduction, quality improvement and efficiency increase", and is committed to building a first-class green and low-carbon modern investment bank.

Responsibility Highlights in 2022

Underwriting **70** green bonds with a total issuance size of over **RMB101.1 billion** (excluding local government bonds)

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

The data center saved approximately **92,000 kWh** of electricity through energy conservation and emission reduction and over **10.3 million** sheets of paper were saved through paperless operations

Material Topics Addressed in This Chapter

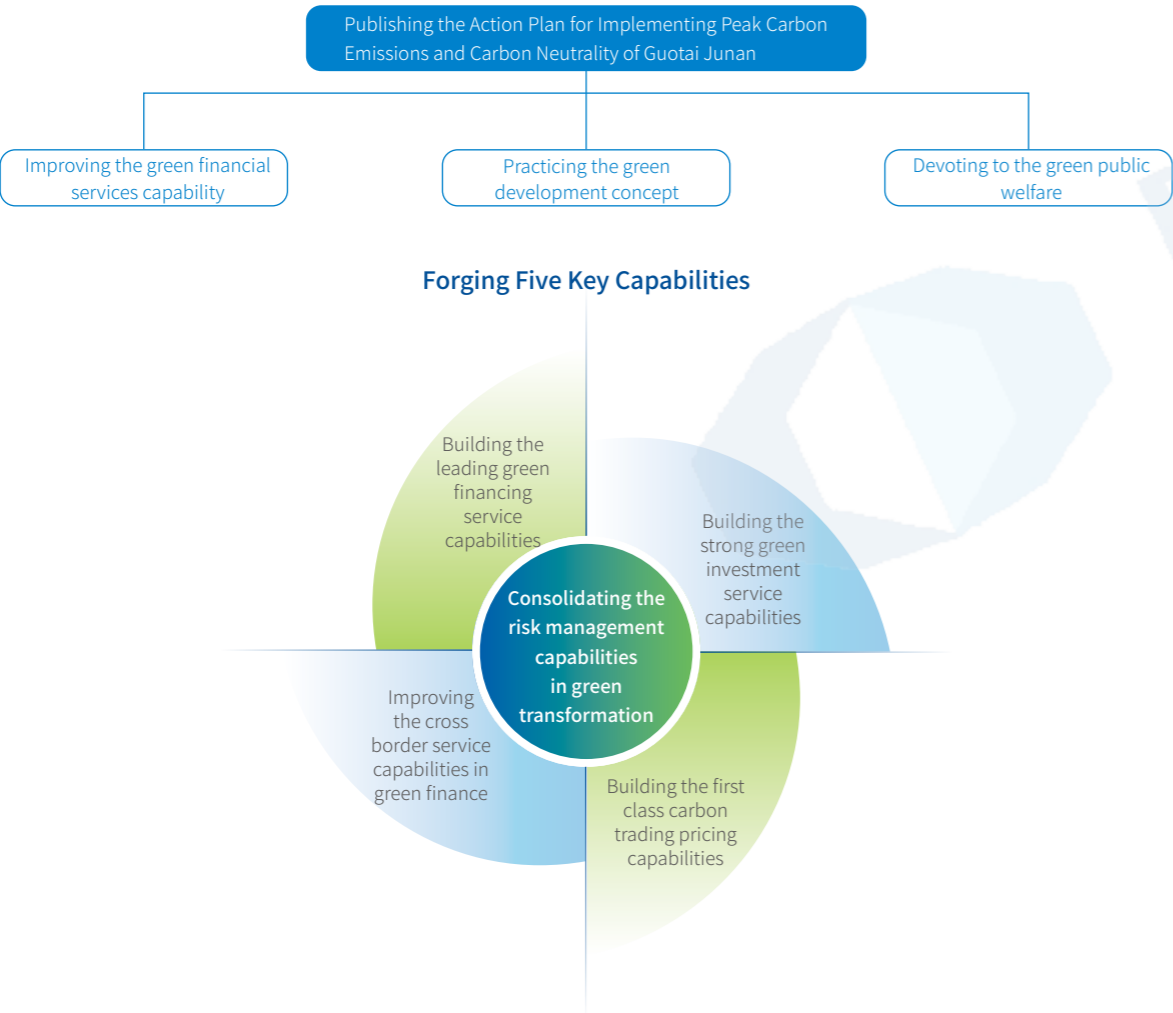
· Supporting the "dual-carbon" goal · Green and low-carbon operations



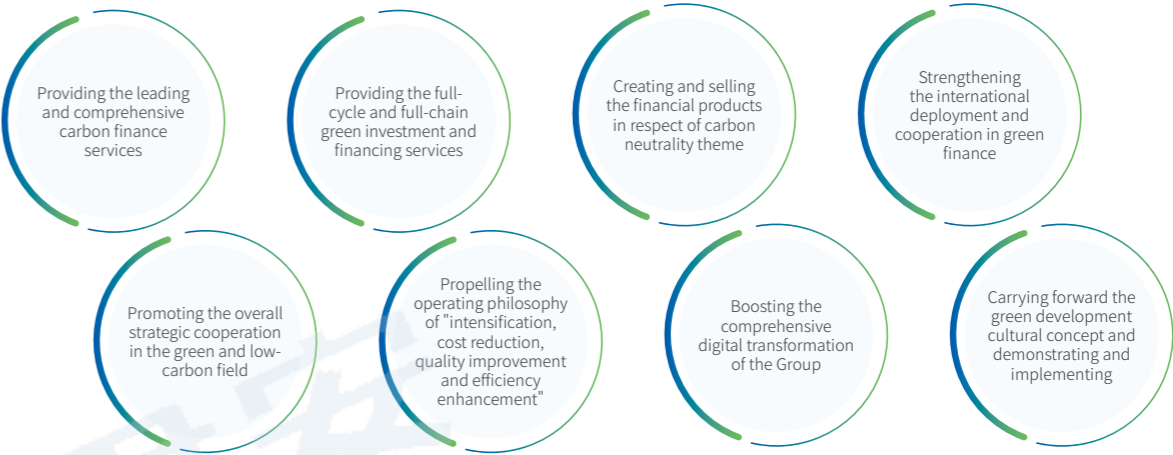
Topic: Supporting the "dual-carbon" goal and strengthening financial responsibility

Fully implementing the "dual-carbon" action plan

The Company deeply recognizes the significance of the peak carbon dioxide emissions and carbon neutrality goal, actively implements the national and Shanghai "dual-carbon" strategic deployment and integrates the green and low-carbon development concept into the thinking, organization and action process. The Company is the first to publish the Action Plan for Implementing Peak Carbon Dioxide Emissions and Carbon Neutrality in the industry, forges five capabilities including "financing, investment, trading, cross-border and risk control" and implements the eight action plans represented by "building a comprehensive and leading carbon finance service system in the industry".



Implementing the Eight Major Action Plans



Providing the leading and comprehensive carbon finance services

Under the background of "dual-carbon", the CSRC issued the financial industry standard including "Carbon Financial Products" in April 2022 to provide guidance for financial institutions to develop and implement carbon financial products, guide financial resources into green fields and support green and low-carbon development.

The Company has always attached importance to carbon finance business and is the first securities company to carry out carbon trading business in China. In 2014, the Company was the first to establish an OTC carbon finance business team in the securities industry. In 2015, the Company was among the first domestic securities companies to obtain the carbon trading license from the CSRC, and also the first domestic securities company to join the International Emission Trading Association (IETA). The Company has successively established registration and settlement relationship with seven carbon emission rights exchanges, including Shanghai Environment and Energy Exchange, to ensure the smooth development of carbon emission trading business.

The Company has been recognized as an excellent member and excellent investment institution of the carbon emission rights exchange for many consecutive years. In terms of trading scale, the Company is among the top in many carbon emission rights trading pilot regions such as Shanghai, Guangdong and Beijing. The Company is an important participant in the domestic carbon trading market and an influential trading pricing institution.

In addition, the Company provides leading carbon financial services for many leading enterprises in green emission reduction and has established extensive cooperation with important enterprise groups and government departments on electric power, forestry, new energy and smart mobility. The carbon emission trading projects developed by the Company cover, among other things, renewable energy, methane utilization, forest carbon sink and carbon inclusion.

In 2022, the cumulative carbon finance trading volume of the Company amounted to **5.5 million tons**, and the Company established new overseas carbon trading and the first OTC carbon option business. The Company overcame the impact of light market trading in respect of its carbon finance business, focused on holding long exposure in pilot markets such as Guangdong, maintained a relatively stable income level, actively explored to participate in the CEA trading model in the national market and carried out the first overseas emission reduction VCS transaction.

Carrying out the first carbon asset buy-out repurchase business by a branch of the Company

In April 2022, the Company and a certain company carried out a carbon asset buy-out repurchase business at Guangzhou Emissions Exchange. In this transaction, Guangdong Province Carbon Emissions Allowance (GDEA) is the underlying asset, helping customer solve the short-term financing problem.

As the first carbon asset buyout repurchase business carried out by a branch, the Company helps the customer revitalize carbon assets, solve short-term funding shortage, achieve the mission of green finance serving real economy and further implement the concept of "finance serving real economy".

Carrying out the first domestic financing business based on CCER emission reduction trading agreement

In July 2022, on the occasion of the first anniversary of the initiation of the national carbon trading market, Shanghai Environment Group, Guotai Junan and Pudong Development Bank held a signing ceremony at China International Carbon Trading Conference in respect of financing cooperation based on CCER emission reduction trading agreement. This cooperation is an innovative carbon finance cooperation under the guidance and witness of Shanghai Environment and Energy Exchange, and also the first financing business based on CCER emission reduction trading agreement in China.

In this cooperation, the CCER emission reduction to be issued by a subsidiary of Shanghai Environment in the future for green emission reduction projects is the underlying asset, and Guotai Junan signed a transaction agreement with it for agreed purchase, and Pudong Development Bank provides financing to the subsidiary of Shanghai Environment according to the transaction agreement between the two parties. After the implementation of such cooperation, it will creatively help registered voluntary emission reduction projects to use the expected issued CCER emission reductions for financing, solve the financing problem of green carbon reduction enterprises and help enterprises in Shanghai accelerate their resumption of work and production.

The Implementation Opinions of Shanghai on Accelerating the Construction of an International Green Finance Hub to Serve the Peak Carbon Dioxide Emissions and Carbon Neutrality Goal (《上海加快打造國際綠色金融樞紐服務碳達峰碳中和目標的實施意見》) proposes that "Shanghai will become an internationally influential carbon trading, pricing, innovation center and international green finance hub". The Company actively participates in the construction of the carbon market, carries out the OTC carbon derivatives business and participates in the development and trading of emissions reduction in the international carbon market through its overseas subsidiaries. Through domestic and overseas cooperation in business operations, the Company has the trading qualifications of various international and domestic exchanges and can provide multi-dimensional and diversified services including carbon asset spot and derivative transactions, emission reduction purchase transactions (ERPA), carbon repurchase transactions, carbon offset neutralization and related carbon financial investment products for enterprises and traders in the domestic and overseas industrial chain.

The Company participating in the first batch of VCS carbon emission reduction transactions of the Hong Kong Stock Exchange

In November 2022, the Company successfully participated in the first batch of transactions on the Hong Kong International Carbon Market Core Climate trading platform of the Hong Kong Stock Exchange through its overseas subsidiaries and was invited to participate in Hong Kong International Carbon Market Council. In the fourth quarter of 2022, the Company's overseas subsidiaries and subsidiaries of stated-owned enterprises such as CGN and Longyuan Carbon Asset successively carried out emissions reduction transactions generated by Verified Carbon Standards (VCS), and continued to explore voluntary emission reduction cooperative development transactions with subsidiaries of A-share listed company and stated-owned enterprises.

Carrying out the industry's first OTC option transaction linked to Shanghai Carbon Emission Quota (SHEA)

In order to actively promote the innovation of the Company's carbon finance business, serve the state's "dual-carbon" goal, implement the Company's "dual-carbon" action plan and promote the development of green finance business, the carbon finance business team of the Company carried out the industry's first OTC option transaction linked to Shanghai Carbon Emission Quota (SHEA) under the SAC with Shanghai Pudong Development Bank in November.

This transaction is based on the real purpose of serving key emission entities to carry out carbon emission performance risk management, which can help enterprises effectively manage carbon assets and reduce performance risk. It is the first carbon emission quota option transaction of the securities industry and companies, and also the first option transaction of SHEA.

The Company cooperating with its subsidiaries to participate in the construction of carbon inclusive system for rural revitalization in Susong County

In order to further implement the Action Plan for Implementing Peak Carbon Emissions and Carbon Neutrality of Guotai Junan (《國泰君安踐行碳達峰碳中和行動方案》), the Company, together with Shanghai Stock Exchange, the People's Government of Susong County, the People's Bank of China Anqing Central Sub-branch and Shanghai Environment and Energy Exchange, signed the Memorandum of Cooperation on the Construction of the Carbon Inclusive System for Rural Revitalization in Susong County (《宿松縣鄉村振興碳普惠體系建設合作備忘錄》). The five parties will adhere to the principle of "resource sharing, complementary advantages, coordinated development and win-win cooperation" to jointly promote the construction of the carbon inclusive system for rural revitalization in Susong County and the construction of the value realization mechanism of ecological products.

The Company fully leveraged its platform role and professional advantages, actively carried out cooperation and exchanges with the local government of Anqing, promoted the development of the green finance market in Anqing, created a carbon inclusive closed-loop and assisted in the local green economy to accelerate its development. Currently, the Company has cooperated with its subsidiaries to carry out relevant work with Susong County of Anqing City on the exploration of emission reduction scenarios and the approval and verification of emission reduction projects.

Developing green finance and integrating green ecology

Providing green financial services

By adhering to the concept of "serving the country with financial services" and in line with national policies and market trends, Guotai Junan continuously improves the level of green and low-carbon financial services, provides service for the high-quality development of real enterprises and actively helps to achieve the strategic goal of "peak carbon dioxide emissions and carbon neutrality". The Company is deeply involved in green and low-carbon industries to provide full-cycle and full-chain green financing services and actively serves the financing and merger and acquisition needs of the exit and transformation of backward high-carbon industries.

In 2022,

Guotai Junan underwrote **70** green bonds with a total issuance size of over **101.1billion** (excluding local government bonds), including, **22** carbon neutrality bonds with a total issuance size of over **RMB16 billion**.

By the end of 2022, the Company invested in **6** green bonds with a total size of **RMB225 million**.

Supporting photovoltaic glass enterprises to continue financing through listing platforms

In June 2022, Guotai Junan, as the sponsor and lead underwriter, assisted Flat Glass Group Co., Ltd. (the "Flat") in completing the public issuance of A-share convertible corporate bonds with the proceeds of RMB4 billion, which was mainly used for projects such as the manufacture of ultra-thin and ultra-high-transparency panels for solar equipment with an annual output of 750,000 tons. The project became the largest financing project in the field of photovoltaic auxiliary materials in the world. Flatter successfully realized the localization of photovoltaic glass through independent research and development in 2006, and is one of the only two manufacturers in the world that can efficiently operate photovoltaic glass furnaces above 1,000 tons. During the process of the project, Guotai Junan assisted and promoted Flat to continue financing through listing platforms, which provided effective support for the steady business development of Flat and further contributed to the realization of green and low-carbon development of China's economy.

Underwriting the first batch of blue bonds in the Shenzhen Stock Exchange market

In March 2022, the "2022 Public Offering of Green Corporate Bonds (the "Blue Bonds") (Tranche 1) to Professional Investors of CGN Wind Power Co., Ltd." underwritten by Guotai Junan was issued on the Shenzhen Stock Exchange and it was the first batch of blue bonds in the Shenzhen Stock Exchange market that specifically serve the development of the marine economy. The proceeds raised from the issuance of bonds by CGN Wind Power Co., Ltd. (the "CGN Wind Energy") were mainly used for the construction of offshore wind power projects in Huizhou Port and Shanwei Houhu, which was conducive to promoting the development and utilization of renewable resources and the sustainable use of marine resources and accelerating the development of green and low-carbon industries, contributing to the realization of the national goal of "peak carbon dioxide emissions and carbon neutrality".

Practicing responsible investment

The Company and its subsidiaries attach great importance to the concept of responsible investment, encourage and promote the in-depth implementation of responsible investment strategies in all investment business lines, so as to obtain more sustainable investment returns by promoting investment in enterprises with good financial and ESG performance and guide the fund flow to enterprises with better ESG performance at the same time.

In 2022, focusing on the sound and prudent business strategies, the Company and its subsidiary Guotai Junan Innovation Investment carried out the pilot exploration of ESG investment evaluation in the investment practice in the field of green development by improving the ESG investment evaluation process and system and launching private equity ESG investment research programs in its private equity investment business, and will promote the ESG investment evaluation system in a wider range of investment practices after the expiration of the trial period.

Incorporation of the Full Cycle of Private Equity Investment into the ESG Evaluation Process



In the active equity investment business line, the Company, through its subsidiary HuaAn Funds, proactively explores the integration of responsible investment strategies such as positive screening, negative elimination, ESG factor integration and active shareholder approach into investment decision-making process of stock investment and bond investment of listed companies, and pay attention to environmental and social benefits arising from investment activities.

Application of Responsible Investment Strategies in Active Equity Investment Business Line

Responsible Investment Strategy	Application
Positive screening	In cyclical industries, investment targets with strong environmental protection capabilities are selected; investment targets in environmentally friendly industries such as new energy and photovoltaic are prioritized in the investment portfolios.
Negative elimination	The investment targets with environmental pollution issues are removed from investment portfolios or included in investment blacklists, mainly but not limited to investment targets that are subject to environmental protection investigation by regulatory authorities and have high energy consumption.
ESG factor integration	By adopting the multi-factor stock selection method, the ESG evaluation of the investment targets will be conducted based on the ESG ratings/scores issued by the external rating agencies of the investment targets, the occurrence of ESG disputes and the actions and practices in ESG. Access criteria for ESG assessment should be established to eliminate investment targets that fail to meet the access criteria from the investment portfolios.
Active shareholder approach	According to the Code of Practice for the Exercise of Voting Rights of Funds of HuaAn Funds Management Co., Ltd., communication on ESG-related concepts and practices with the investee companies should be conducted during due diligence process. In the proxy voting process, attention should be paid to whether the use of funds and investment projects of listed companies comply with ESG principles, and ESG factors should be considered in the process of voting for or against according to the actual situation.

In addition, Guotai Junan International, as an important subsidiary of the Company to promote its international layout, actively promotes the establishment of a responsible investment management team and implements responsible investment strategies to promote the implementation of the sustainable financial strategies.

Major Actions of Guotai Junan International in Practicing Responsible Investment

Improving the Structure of Responsible Investment Management	<ul style="list-style-type: none"> A responsible investment management team or ESG analysis specialists are established to collect ESG information of potential investment companies, assess the ESG risks of investment targets and monitor changes in the ESG ratings of investment portfolios and public sentiment, etc.
Implementing the responsible investment strategies	<ul style="list-style-type: none"> Responsible investment strategies such as positive screening and ESG factor integration are applied to avoid specific industries with significant ESG risks, and promote the integration of ESG factors into investment decision-making process.

Promoting low-carbon development and practicing environmental protection and public welfare

Responding to climate change

Climate change is a common challenge for all mankind, and how to respond to climate change is the common cause of all mankind. In the report of the 20th Party Congress, General Secretary Xi Jinping profoundly pointed out that it is necessary to enhance the diversity, stability and sustainability of the ecosystem and actively participate in the global governance of climate change.

Guotai Junan is fully aware of the impact that climate change may have on its daily operations and financial business, and began to disclose its policies and actions in responding climate change in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) framework with a view to better managing the climate-related risks it may face in its operations and business.

Guotai Junan Climate Change Management System



Guotai Junan International, a subsidiary of the Company, strives to reduce the negative impact of climate change by identifying, analyzing and managing the risks related to climate change in the asset management business, private equity business, transaction investment business and other investment business.

Guotai Junan International Climate Change Risk Management Approach

- Relying on third-party ESG data providers' tools to analyze climate change risks and ESG risks;
- Incorporating climate change risk-related factors into the ESG evaluation form, and evaluating the performance of climate risk management of invested companies through interviews;
- Incorporating ESG factors, including climate and environmental factors, into the investment and research framework and investment management process, and evaluating the climate change-related risks of the candidate targets and position targets in the pre-investment research and post-investment management with reference to the environmental performance scores given by Bloomberg.

HuaAn Fund, a subsidiary of the Company, carefully considers the management capability of target enterprises in respect of climate issues when making some investment decisions, and examines the environmental protection expenditure level, negative public opinion information and environmental protection management measures of target enterprises before including an investment target into its investment portfolios, in order to exclude high-energy-consuming enterprises and enterprises with major environmental protection issues, thereby marking investments in climate-friendly industrial enterprises such as photovoltaic enterprises and high-efficiency air-conditioning enterprises to further manage and control climate risks.

Construction of green data centers

The Company is a financial enterprise, and the energy consumption of its data centers accounts for a relatively high proportion of the total energy consumption. Therefore, promoting the construction of green data centers is an important action of the Company's low-carbon operation.

The Company has a total of four data centers, including one owned data center and three leased data centers. According to the characteristics of data centers, the Company has established a disaster recovery model of "four centers in two places (兩地四中心)" with Lai'an Road Center and Jinqiao Center serving as the main centers, Waigaoqiao Center serving as the dual-active center in the same city and the Southern Center serving as the remote application-level disaster recovery center.

During the construction of the Company's data center, a number of high-efficient and energy saving technologies have been used, including the use of high-density cold aisle closures in the IT room, the use of dual-channel centralized water cooling technology, the optimization and control of energy consumption in server room through waste heat recovery and intelligent lighting control technology and the use of the air-conditioning unit combining centrifugal chiller with small cooling capacity screw chiller. In 2022, the Company further adopted a series of measures to transform and optimize its energy consumption and efficiency according to the actual operation situation of the data center.

Optimization Measures and Energy Saving Effectiveness of Data Centers in 2022

Optimization measures	Energy saving effectiveness
Supplying cooling capacity on demand by adjusting raised floors to regulate air supply volume according to the differences in energy consumption and heat dissipation of cabinets in different functional areas in server room of data centers, so as to avoid cooling loss and improve the efficiency of precision air conditioners in sever rooms.	Preliminary estimate of electricity savings 92,000kWh
Making every effort to promote the cloudification process after the old physical servers become obsolete and the cloudification of low-load physical computers to promote power saving. In 2022, the cloudification of 184 physical servers were completed.	From 2020 to 2022, PUE value decreased continuously for three consecutive years from 1.92 to 1.84 and the energy utilization efficiency gradually improved
Replacing aging components such as capacitors and fans for 16 uninterruptible power supply equipment (UPS) in 2022, which has greatly improved the power supply efficiency of server rooms and effectively reduce energy consumption.	

Social welfare activities for environmental protection

The Company and its subsidiaries organize and encourage employees to participate in social welfare activities for environmental protection, and promote the whole society to create an ecological civilization concept of respecting and protecting nature by launching the "1000-year Afforestation(千年秀林)" pledge initiative, participating in "Earth Hour" of the World Wide Fund for Nature, marine litter surveys and coastal cleanup and other activities.

"1000-year Afforestation" endorsement initiative to help the ecological construction of Xiong'an New Area

In November 2022, the Forum on Green Finance for the High-quality Development of Xiong'an New Area under the guidance of Xiong'an New Area Management Committee and sponsored by Guotai Junan was held in Xiong'an New Area, Hebei Province.

At the forum site, the Company and its partners jointly launched the "Hundred Acre of 1000-year Afforestation" sponsorship ceremony. Guotai Junan Social Welfare Foundation sponsored a total of 2,000 of the "1000-year Afforestation" in Xiong'an New Area with voluntary donations from its employees and foundation matching donations, the total amount of which exceeds RMB0.6 million, working together to make contribution to the green development of Xiong'an New District.



"Hundred Acre of 1000-year Afforestation" sponsorship ceremony

Guotai Junan International's marine litter surveys and coastal cleanup activities

In 2022, the volunteer team of Guotai Junan International participated in the "Coastline Observation Project"(海岸線觀察) of the World Wide Fund for Nature and successfully completed the coastline restoration volunteer activity on November 11. During the event, volunteers actively participated in the coastline restoration activity to spread the concept and attitude of the protection of marine resources, the harmony of the human and marine environment and the maintenance of the balance of marine ecosystem and call on everyone to contribute to the protection of the earth.



Photo of the coastline restoration volunteer activity



ESG MANAGEMENT POLICY AND KEY PERFORMANCE

Corporate Governance

Corporate Governance

As a listed company with A+H shares, the Company has operated in strict accordance with the Company Law, Securities Law, Governance Guidelines for Listed Companies, Governance Guidelines for Securities Companies and other provisions and requirements, developed the Articles of Association, established a governance structure composed of the General Meeting of Shareholders, the Board of Directors, the Supervisory Committee and the Company's management, and built a corporate governance system for discussion, decision-making, authorization and execution featured by clear powers and responsibilities, standardized operation, mutual coordination, mutual checks and balances among power organs, decision-making organs, supervisory organs and the management.

In 2022, in order to improve the construction of corporate governance system and comprehensively consolidate the foundation of corporate governance, the Company, according to the latest regulatory requirements issued by China Securities Regulatory Commission and Shanghai and Hong Kong Stock Exchanges, and in combination with the actual operation of the Company, revised and improved the rules and regulations including the Articles of Association, Working System for Independent Directors, Administrative Measures for Related Transactions, Management System for Information Disclosure Affairs, Management System for Investor Relations and Working Rules of the Remuneration, Appraisal and Nomination Committee under the Board of the Company, providing a solid system guarantee for the standardized operation of the Company.

Composition of the Board of Directors and Supervisory Committee and the Holding of Three Meetings of Guotai Junan

Composition of the Board of Directors and Supervisory Committee



17
Directors of the Board of Directors



including **1** female director



3
Executive Directors



14
Non-executive Directors



including **6** independent non-executive directors



6
Supervisors of the Supervisory Committee



including **3** employee supervisors

Holding of the Three Meetings



2
General Meetings of Shareholders



A total of **10** proposals were deliberated



14
Board Meetings



A total of **52** proposals were deliberated



19
meetings of special committees of the Board of Directors



5
meetings of the Supervisory Committee

In 2022, the Company was selected into the list of **Demonstration State-owned Enterprise of Corporate Governance** by the State-owned Assets Supervision and Administration Commission of the State Council.

Protection of Rights and Interests of Shareholders and Creditors

The Company has operated in strict accordance with the Articles of Association and effectively protected the rights and interests of shareholders, creditors and stakeholders. In 2022, in order to further standardize related party transactions and reduce unnecessary related party transactions, the Company revised and improved the Administrative Measures for Related Party Transactions, so as to ensure the fairness and impartiality of the Company's related transaction decisions to all shareholders.

Meanwhile, the Company developed the Bondholder Meeting Rules, established a repayment working group, gave full play to the role of bond trustee managers and strictly fulfilled the obligations of information disclosure, kept the debt repayment guarantee measures in line with the relevant commitments in the prospectus. During the reporting period, the Company had no failure to pay the principal and interest in time.

In order to guarantee the rights and interests of shareholders and creditors, the Company developed reasonable profit distribution policies and dividend plans to actively reward shareholders. In 2022, the Company, in accordance with the relevant provisions of the Articles of Association, implemented the dividend plan of 2021 and distributed a cash dividend of RMB 6.8 for every 10 shares, leading the dividend ratio in the industry.

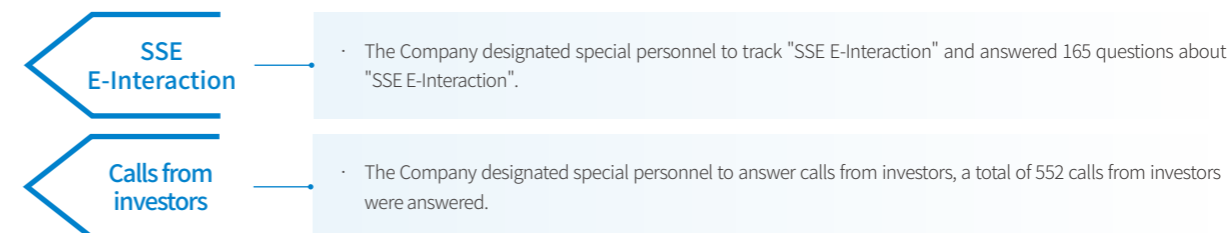
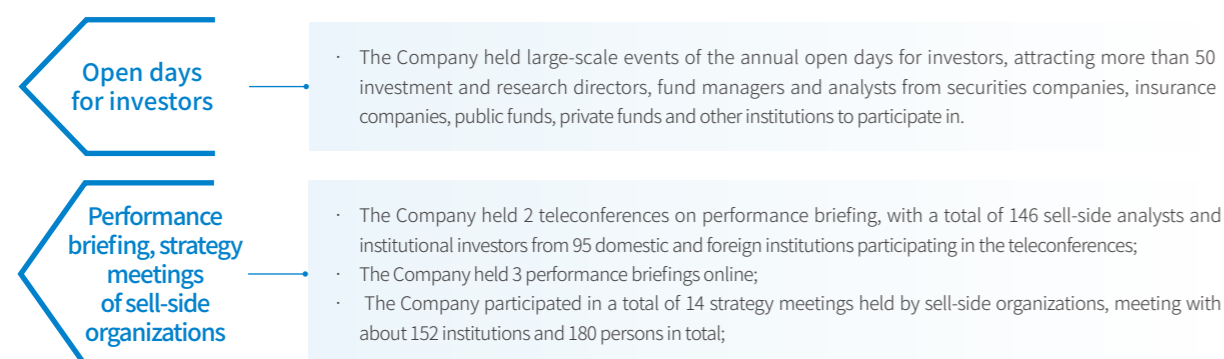
Information Disclosure and Communication with Investors

The Company attaches great importance to information disclosure and communication for investors. For this purpose, the Company developed a sound information disclosure management system according to the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, Governance Guidelines for Securities Companies, Administrative Measures for Information Disclosure of Listed Companies, Hong Kong Securities and Futures Ordinance, Guidelines on Disclosure of Inside Information and other laws and regulations. In addition, the Company fulfilled its information disclosure obligations on time through annual reports, interim reports and other forms to truthfully, accurately, completely, promptly and fairly disclose major issues that may affect the prices of stocks and derivative products, protecting investors' right to know.

In 2022, the Company revised the Management System for Information Disclosure Affairs and Information Disclosure Manual in accordance with the system revisions issued by China Securities Regulatory Commission and Shanghai and Hong Kong Stock Exchanges to further improve the responsibilities and procedures of information disclosure and standardize the information disclosure behavior of the Company.

For the communication with investors, the Company communicates with investors and analysts through performance conferences, road shows, open days for investors and other channels, achieving two-way communication and positive interaction with investors.

Results of Communication Activities with Investors in 2022



Compliance Management

The Company has been adhering to the concept of "Compliance operation has a future" and has developed the internal management systems and operational guidelines including Compliance Management Measures for Guotai Junan Securities Co., Ltd., Compliance Review Measures, Compliance Inspection Measures according to the rules and regulations such as Compliance Management Measures for Securities Companies and Securities Investment Fund Management Companies, established and improved the compliance management system of the Company, and continuously promoted the implementation of various compliance management works.

Key Practices for Compliance Management of Guotai Junan in 2022



In order to build a highland of compliance talents, the Company has actively organized legal compliance training and education activities, and continuously strengthened the compliance literacy of front-line compliance managers and business personnel. In 2022, the Company conducted 449 online and offline compliance trainings.

Business Ethics

► Anti-money Laundering

The Company has strictly implemented the anti-money laundering responsibilities of financial institutions and fulfilled the statutory obligations of anti-money laundering. To this end, the Company, in accordance with the Anti-Money Laundering Law of the People's Republic of China, Guidelines for the Management of Money Laundering and Terrorist Financing Risks of Corporate Financial Institutions, Measures on the Administration of Client Identity Identification and Materials and Transaction Recording of Financial Institutions and other laws, regulations and regulatory requirements, has developed 13 special anti-money laundering systems and operational guidelines, including Management Measures for Money Laundering and Terrorist Financing Risk of Guotai Junan Securities Co., Ltd., Management Measures for Anti-Money Laundering of Guotai Junan Securities Co., Ltd., Guidelines for the Analysis and Identification of Suspicious Anti-Money Laundering Transactions, which clearly standardize the anti-money laundering work such as anti-money laundering risk classification of customers, money laundering risk assessment, anti-money laundering audit and inspection, anti-money laundering confidentiality and information sharing, improving the effectiveness of anti-money laundering work.

In 2022, the Company revised the Guidelines for Strengthening Due Diligence of Customers, Guidelines for the Analysis and Identification of Suspicious Anti-Money Laundering Transactions, Guidelines for the Identification of Beneficial Owners of Non-natural Person Customers, and added new operational rules including Guidelines for Customer Identity Management to further define and refine the anti-money laundering work standards, and standardize the implementation of anti-money laundering work.

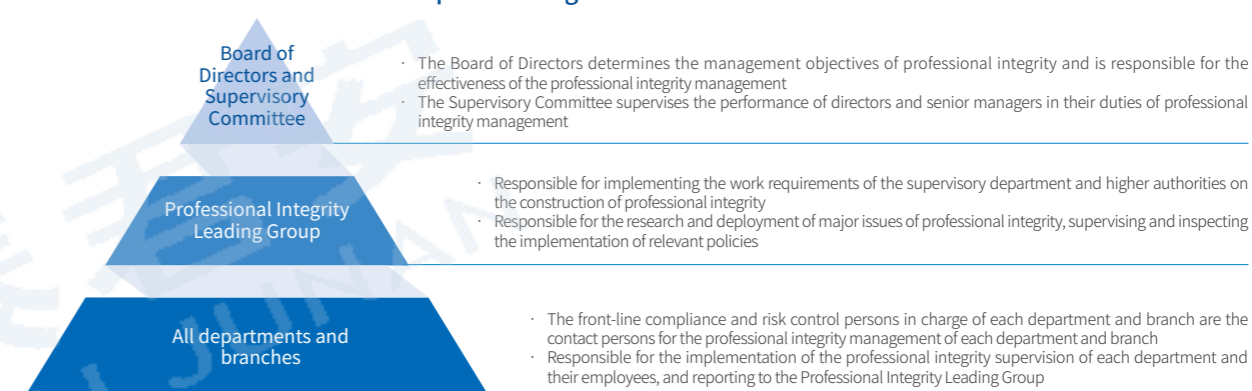
In order to promote the implementation of anti-money laundering work, the Company has thoroughly reviewed the existing anti-money laundering work, comprehensively rectified and improved the weak links in management, focused on promoting the implementation of such works as initial identification of customer identities, continuous identification of customer identities, classification management of customer risk levels, strengthened due diligence of customers and suspicious transaction monitoring. In addition, in accordance with the requirements of Guidelines for the Self-Assessment of Money Laundering and Terrorist Financing Risks by Corporate Financial Institutions, the Company has completed the risk assessment of institutional money laundering and terrorist financing, given full play to the role of financial institutions as the first line of defense, organized a series of anti-money laundering publicity activities of "staying away from money laundering crimes and building a better future together", improving the awareness of anti-money laundering among employees and the public.

At the same time, the Company has actively cooperated with relevant regulatory agencies and public security departments to carry out anti-money laundering work. In 2022, the Company accepted the anti-money laundering law enforcement inspection of the People's Bank of China and actively carried out rectification work, which was highly recognized by the regulatory agencies. Guotai Junan Futures Co., Ltd., the subsidiary of the Company, assisted the police in investigating and handling a case of suspected financial fraud and money laundering which involved more than 600 related accounts in 24 provinces (municipalities directly under the Central Government) and nearly RMB 10 million. In 2022, the Company did not receive anti-money laundering related penalties from regulatory agencies.

► Anti-corruption

Doing anti-corruption work well is an important basis to ensure the healthy and stable operation of the Company. Therefore, the Company attaches great importance to professional integrity and anti-corruption management. According to the laws and regulations and relevant provisions such as Securities Law, Regulations on Supervision and Administration of Securities Companies, Provisions on the Professional Integrity of Securities and Futures Business Institutions and Their Employees, Opinions on Strengthening the Supervision of the Professional Integrity of Intermediary Institutions under the Registration System, the Company has developed the internal rules and regulations such as Provisions on the Professional Integrity of Guotai Junan Securities Co., Ltd. (revised in 2022), Rules of Joint Meeting on Supervision of Clean Government Construction of Guotai Junan Securities Co., Ltd. and Administrative Measures for Prevention and Control of Professional Integrity Risk of Third Parties Retained by the Investment Banking Divisions, continuously revised and updated relevant rules and regulations according to the latest regulatory requirements, and constantly established and improved the anti-corruption management system of the Company.

Anti-corruption Management Structure of Guotai Junan



In 2022, the Company further strengthened the construction of professional integrity management mechanism, revised the professional integrity management system, continuously enhanced the incorruptible culture construction, actively participated in relevant training organized by industry associations, organized and carried out professional integrity training and education, strengthened the awareness of anti-corruption and cultivated professional integrity culture.

Participated in Special Training provided by the Securities Association of China and Carried out Warning Education and Training on the professional Integrity

- Participated in a total of 11 webcast courses provided by Securities Association of China on "Professional Integrity and Culture Construction of Securities Companies";
- Conducted training of Warning Education on Violation Cases of Professional Integrity in Securities Industry for all front-line compliance personnel and uploaded the training courseware to the E-learning online training system as a compulsory course for all employees to learn, with the total number of participants of about 11,980.

As for the professional integrity audit, the Company, in accordance with the Basic Standards for Checking and Auditing of Guotai Junan Securities Co., Ltd., Auditing Measures for Compulsory Leaving of Persons in Charge of Securities Branches of Guotai Junan Securities Co., Ltd., and other systems and regulations, has incorporated business ethics related content such as professional integrity into the scope of internal economic responsibility audits, carried out special training for professional integrity, stipulated to conduct a compulsory economic responsibility audit on the branches at least every three years, carried out regular or irregular routine audit on headquarters and subsidiaries of the Company, so as to implement the risk prevention of professional integrity.

Implementation of Key Audit Work related to Professional Integrity in 2022

- Implemented a total of 261 economic responsibility audit projects (including the special projects of professional integrity), achieving a rectification completion rate of 98%;
- Carried out a special review of professional integrity for investment banking division, including hiring a third party to review the draft, process and the approval process for signing business contracts with customers, business contracts, questionnaire for professional integrity and honesty, etc.

► Complaint Reporting and Protection for Whistleblowers

In terms of complaint reporting, the Company has unblocked whistleblowing channels and actively implemented the protection for whistleblowers. The Compliance Management Measures of the Company stipulates that employees of the Company have the right and obligation to report violations of the Company, their department and other employees of the Company to the Compliance Director and the Compliance Department of the Company.

The Company has formulated the Working Rules for Whistleblowing and Accusations of the Disciplinary Inspection and Supervision Team of Guotai Junan Securities, which clearly stipulates that relevant personnel shall not retaliate against the whistleblower and the staff handling the whistleblowing matters. The Company will seriously investigate and handle the acts infringing upon the legitimate rights and interests of the whistleblower in accordance with the rules, disciplines and laws.

Whistleblowing Method and Protection Measures for Whistleblowers

Whistleblowing Method	Protection measures for whistleblowers
<ul style="list-style-type: none">Whistleblowers can make complaints and reports by letter, visit, telephone call, emails and online whistleblowing acceptance platforms, etc.	<ul style="list-style-type: none">The Company stipulates that the handwriting, Internet protocol address (IP address) and other information of the whistleblowers for anonymous whistleblowing shall not be verified without authorizationThe Company clarifies that the whistleblower may apply for protection when his /her legal rights are threatened or infringed upon as a result of the whistleblowing



Management of Social Topics

Employment and Rights Protection of Employees

The Company has strictly abided by laws and regulations including the Labor Law of the People's Republic of China, Labor Contract Law of the People's Republic of China and Employment Promotion Law of the People's Republic of China, clearly stipulated the employee compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination, and other benefits and welfares to effectively protect the basic rights and interests of employees. In 2022, there were no confirmed violations of the Company in terms of employment and labor practices.

The Company strictly abides by laws such as the Law on the Protection of Minors and Provisions on Prohibition of Child Labor to avoid child labor and forced labor. In 2022, there were no confirmed violations of the Company in terms of child labor and forced labor.

Employment and Rights Protection Measures of Employees

Dimension	Main actions	Laws, regulations and internal systems followed by the Company
Employee employment	<p>Equal employment: The Company abides by the employment policy of equal employment and equal pay for equal work, and does not restrict the employment due to factors such as nationality, race, ethnicity, gender, age, marriage and childbearing, religion and disability. The Company has made contributions to the employment security fund for the disabled at a rate of 1.5%, and the employment security for the disabled will be further improved in the future.</p> <p>Promoting diversity: The Company provides fair and equitable employment opportunities and development platforms for female employees, and promotes the diversity of employees in terms of gender, age and professional background.</p> <p>Dismissal and resignation: The Company has established legal and standardized dismissal and resignation procedures, and specified the terms and conditions related to dismissal and resignation.</p> <p>Rights and interests of female employees: Special Collective Contract for the Protection of Special Rights and Interests of Female Employees specifically stipulates the protection of the labor rights and interests of female.</p>	<p>Laws and regulations: Special Rules on the Labor Protection of Female Employees, etc.</p> <p>Internal system: Special Collective Contract for the Protection of Special Rights and Interests of Female Employees, etc.</p>
Working hours and holidays	<p>Working hours: The Company implements the standard working hour system and the general working hours are 8:30-11:30, 13:00-17:00.</p> <p>Leave management: Statutory holidays, annual leave, sick leave, marriage leave, maternity leave, etc.</p>	<p>Laws and regulations: Regulations on Paid Annual Leave for Employees, Regulation on Public Holidays for National Annual Festivals and Memorial Days</p> <p>Internal system: Employee Attendance Management Measures (2018), Employee Leave Management Measures (2018)</p>
Compensation and welfare	<p>Welfare guarantee: The Company pays social insurance and housing provident fund on time and in full, and provides supplementary welfares such as supplementary medical insurance and enterprise annuity plan.</p> <p>Compensation system: Based on the post value and ability, the Company makes dynamic adjustment for the salary of employees according to the performance of employees, and establishes a compensation system that is "fair inside and competitive outside", and improves the use efficiency of salary resources, motivates employees with excellent performance, achieving the purpose of gathering and attracting outstanding talents.</p>	<p>Laws and regulations: Measures of Shanghai Municipality for Payment of Wages by Enterprises, etc.</p> <p>Internal system: Enterprise Annuity Plan of Guotai Junan Securities Co., Ltd. (revised in 2019), Compensation Management Measures (2018)</p>
Labor relations	<p>Labor protection: The Company's Workers Congress reviews and authorizes the signing of collective contracts, special collective contracts for wages, and collective contracts for the protection of special rights and interests of female employees. In addition, the Company has established a labor dispute mediation committee to mediate labor disputes between employees and the Company.</p>	<p>Laws and regulations: Trade Union Law of the People's Republic of China</p> <p>Internal system: Collective Contract, Special Collective Contract for Wages</p> <p>Deliberated and approved: Collective Contract of Guotai Junan Securities Co., Ltd. (2022), Special Collective Contract for Wages of Guotai Junan Securities Co., Ltd. (2022), Special Collective Contract for the Protection of Special Rights and Interests of Female Employees of Guotai Junan Securities Co., Ltd. (2022)</p>
Democratic communication	<p>Workers Congress: The Workers Congress is to ensure that workers' representatives exercise their democratic rights and implement democratic management. In 2022, the 15th to 18th workers congresses of the fourth session were held, and a total of 9 proposals were deliberated and voted on.</p>	<p>Internal system: Work Regulations on the Workers Congress of Guotai Junan Securities Co., Ltd. (2019)</p>

Performance Appraisal and Promotion of Employees

In order to establish a performance culture characterized by clear rights and responsibilities, distinct rewards and punishments, the Company has developed performance appraisal related systems such as Performance Management Measures and Leadership Appraisal and Assessment Measures to provide space, motivation and guarantee for talent development.

Performance Management, Evaluation and Complaint Process

Performance management process	The performance management process consists of performance planning and goal setting, performance guidance and feedback, performance evaluation and application of results.
Performance evaluation frequency	Performance is evaluated on an annual basis. Performance managers at all levels may conduct performance evaluation monthly, quarterly or semiannually according to business needs.
Performance evaluation method	Employee competency is evaluated by the employee's superiors, subordinates, other colleagues and the employee himself/herself; for employee collaboration evaluation, the persons in charge of each department conduct mutual evaluation on the efficiency, quality and attitude of collaboration, including cross-evaluation of total scores; employee satisfaction is evaluated by the employees of each department on the fairness and justice, performance guidance and team spirit of the person in charge.
Performance complaint mechanism	Employees fill in the Complaint and Review Form of Performance Feedback Result within three days and file a complaint. The department manager will review such form within three days and reply to the complainant in writing, and then submit the result to the Human Resources Department for record. In case that the employee still disagrees with the result, he/she can submit the reconsideration to the Human Resources Department, and the reconsideration result will be the final feedback result. In addition, the Company stipulates that the personal information of employees shall be kept strictly confidential in the whole process of handling complaint and any retaliation against employees who file the complaint shall be strictly prohibited, so as to fully protect the rights and interests of employees.

In terms of employee promotion channels, the Company has followed the principle of "marketization, specialization and standardization", integrated with the market and built dual channels for management and professional development based on the internal situation and development needs, so as to provide corresponding development opportunities for employees with different characteristics and abilities.

The Company has developed management systems such as Professional Rank Management Measures and Post Management Measures, defined the standard and normative rank management procedures to ensure that employees enjoy equal opportunities for development. In November 2022, the Company reformed the professional rank system, revised and issued the Professional Rank Management Measures of Guotai Junan Securities Co., Ltd. (revised in 2022), established the professional rank system applicable to all employees of the Group, further unblocked the development channel of professional talents, created the qualification standard system with professional ability and performance as the core, and optimized the evaluation and adjustment mechanism to ensure that outstanding talents stand out regardless of seniority.

Dual Channels for Talent Development

Management channel	Professional channel
The Company selects and employs personnel in an innovative way, expands the vision of selecting and employing personnel by means of open job competition, strengthens the identification, discovery, training and use of young talents, constantly improves the cultivation and development path with the main object of "talent reserve for high-potential employees - talent reserve for grassroots managers - talent reserve for middle managers".	The Company has established a unified professional rank system of the group, covering all employees of the group. Employees can be promoted through performance improvement. In key fields such as wealth management, financial technology, investment banking, trading and investment, and research, the Company has built a professional talent development channel that is orderly connected with the professional rank system, so as to further promote talents to improve their professional ability and enhance the competitive advantage of the Company.

Employee Health and Safety

The Company belongs to the financial industry and does not involve the occupational-hazards-inductive factors such as dust, noise and radioactive substances. The Company strictly abides by the requirements of laws and regulations such as the Labor Law of the People's Republic of China and Regulations on Work-related Injury Insurance, strives to ensure workplace safety and truly implements the health care of employees.

The Company attaches great importance to the health and safety of employees, and is committed to providing employees with a safe, healthy and harmonious working environment by maintaining workplace safety, safeguarding employees' physical health and caring for employees' mental health.

Employee Health and Safety Measures of Guotai Junan in 2022

The headquarters building has an employee activity center, which is rated as a Starr Fitness Station by Shanghai Federation of Trade Unions and Shanghai Administration of Sports in January.	In July, the smart equipment of "Employee Fitness Station" was put into use.	The normal operation of Workers' Home, Health Huts and Money Huts throughout the Company was ensured;
The Company orderly promoted the construction of "Workers' Home" project in Tangzhen Support Center;	The Company promoted the physical and mental of employees, and independently established employee interest associations such as Traditional Chinese Medicine Health Association.	

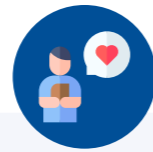
Employee Support and Care

The Company offers support and consolations at the first time for the employees in need. In 2022, the Company completed a new round of revision to the Implementation Measures for Employee Support and Consolation to further strengthen the pertinence of support and consolations. In 2022, the Trade Union of the Company gave consolations to 134 employees and distributed consolation fees of RMB 1.56 million. In addition, the grassroots trade unions also carried out accurate and timely consolations to their members.



Support and consolations for the employees in need

During the New Year's Day and Spring Festival, the Trade Union of the Company distributed a total of **RMB 241,000** to **28** grassroots labor unions for supporting **50** employees in need.



College entrance examination aid for employees' children

The Company applied for the 2022 financial aid from Shanghai Trade Union of Financial Sector for **3** employees' children with **RMB 5,000** per person.

The Company respects and cares for employees, provides various benefits, recreational and sports activities, and creates a harmonious and happy working atmosphere. By seizing the opportunity, meticulously planning and implementing, the Company has completed the organization of various major recreational and sports activities this year to promote the balance between work and life of employees.

In 2022, the Company guided and organized employees to carry out and participate in a series of themed activities of "Looking at Shanghai, Tasting Shanghai's Specialties, and Loving Shanghai", and online intellectual sports competition, collection activities for calligraphy, painting and photography exhibitions, e-sports competition, football matches, etc. The majority of employees actively participated in them.



Responsible Marketing and Suitability Management

In terms of the sales and promotion of financial products, the Company strictly complies with the requirements of laws and regulations on the marketing promotion behavior and the content of publicity and promotional materials of financial products on commission sale, has developed multi-level management systems and guidelines, and strictly standardized the promotion behavior of the Company's marketing personnel.

In 2022, the Company revised the Implementation Rules for the Management of Sales Behaviors of Financial Products on Commission Sale of Guotai Junan Securities Co., Ltd. and Operation Guidelines for Compliance Publicity of Financial Products, which put forward comprehensive requirements for the management of the sales behavior of financial products, such as marketing channel management, publicity and promotional material management, and marketing behavior management, requiring the Company's employees to strictly follow such requirements during business development. In addition, the Company newly formulated the Handbook of Theoretical Knowledge and Operative Skill in the Sales of Financial Products, set up a special section for marketing promotion, and systematically sorted out the key points of compliance in the sales and marketing of financial products in the form of questions and answers, so as to improve the compliance awareness of front-line employees and standardize their professional ethics.

Responsible Marketing Management Mechanism of the Company

Laws and regulations followed by the Company

- Interim Provisions on the Administration of Publicity and Promotional Materials of Publicly Offered Securities Investment Funds, Measures for the Administration of the Fundraising of Privately Offered Investment Funds, Several Provisions on Strengthening the Regulation of Privately Offered Investment Funds, Interim Provisions on the Administration of Operation of the Private Asset Management Business of Securities and Futures Business Institutions, Convention on the Self-discipline of Financial Advertising Industry, and other laws and regulations and self-regulatory rules;

Management system established by the Company

- Management Measures for the Financial Products on Commission Sale of Guotai Junan Securities Co., Ltd., Implementation Rules for the Management of Sales Behaviors of Financial Products on Commission Sale of Guotai Junan Securities Co., Ltd., Implementation Rules for the Suitability Management of Investors in Financial Product Sales Business of Guotai Junan Securities Co., Ltd., Operation Guidelines for Compliance Publicity of Financial Products on Commission Sale of Guotai Junan Securities Co., Ltd., etc.

Management measures taken by the Company

- It is strictly prohibited for marketing personnel to promote financial products to customers in improper ways such as exaggerating performance, secretly changing concepts, and making guaranteed promises;
- Marketing personnel are required to fully and objectively disclose product-related element information and complete risk disclosure to customers;
- All financial products on commission sale are fully disclosed through channels such as the financial product area at the official website and Junhong APP, to ensure that customers can understand true and complete product information;
- In the regular return visit of the financial products business on commission, the return visit question of whether the Company's employees make illegal recommendations are provided.

When recommending financial products or services to customers, the Company requires that relevant personnel must make a judgment on whether the financial products or services are suitable for the customers to buy or accept, and introduce the suitable products or services to suitable customers, so as to obtain a win-win interests of the Company and customers.

In 2022, the Company neither had information and logo violations for its products and services, nor had marketing related violations.

In terms of suitability management, the Company, in accordance with regulatory provisions such as the Measures for the Suitability Management of Securities and Futures Investors and Guidelines for the Implementation of Investor Suitability Management of Securities Business Institutions, formulated Investor Suitability Management Measures of Guotai Junan Securities Co., Ltd. and specially set up a chapter of "Understanding Investors" to regulate the scope and channels of investor information, the maintenance and management of investor information, and the process settings for understanding investors in suitability management.

Customer Suitability Management Measures

- The Company evaluates the risk status of the financial products on commission sale, classifies the risk levels, and determines the category and scope of customers suitable for purchase;
- The Company understands the customer's identity, property and income status, financial knowledge and investment experience, investment objectives, risk preference and other basic information, and evaluates the suitability of purchasing financial products;
- In case that it is unsuitable for customers to purchase financial products or the suitability for purchase cannot be judged, it is not allowed to actively recommend the financial products to the customer;
- After confirming that the customer's risk tolerance level does not belong to the lowest risk category (C0), the Company informs the customer of the written judgment conclusion and special written risk disclosure to remind them to make prudent decisions; and financial products may be sold to customers who still insist on purchasing them;
- Financial products that require strong matching of customer suitability management according to relevant external norms and Company's rules and regulations are not allowed to be sold to customers whose risk level is lower than that of the product.

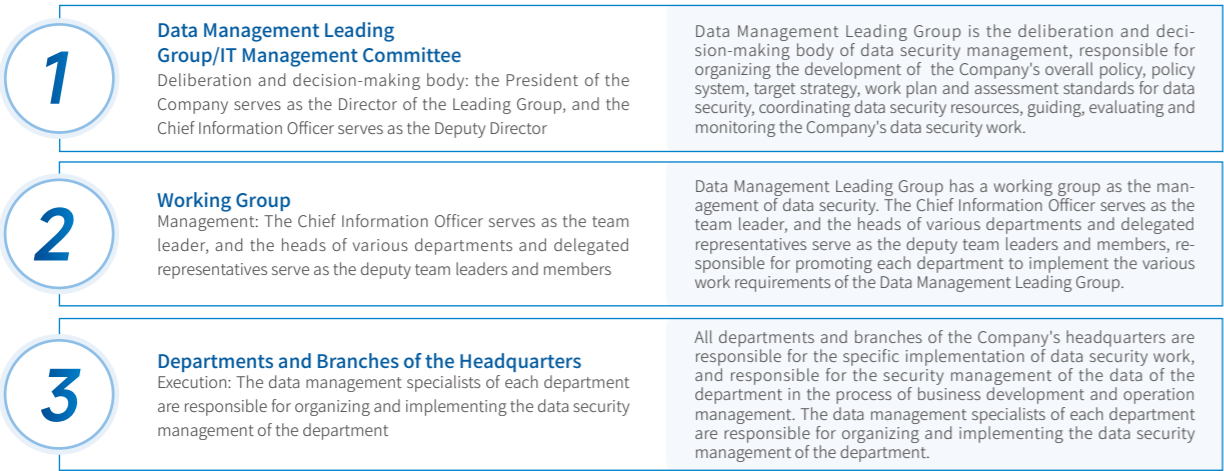
Data Security and Privacy Protection

The Company attaches great importance to data security construction and customer privacy protection, strictly abides by the laws, regulations and regulatory requirements such as Personal Information Protection Law of the People's Republic of China, Data Security Law of the People's Republic of China, Cybersecurity Law of the People's Republic of China, Guidelines for Data Security Management and Protection of the Securities and Futures Industry, Security Specification for Mobile Internet Application of Securities and Futures Industry, Personal Information Security Specification of Information Security Technology, Technical Specifications for Personal Financial Information Protection, Security Management Specifications for Mobile Financial Client Application Software, Security Specifications for Mobile Internet Application of Securities and Futures Industry, and has developed the management system applicable to all departments, branches and subsidiaries of the Company's headquarters, including Management Measures for Data Governance Work of Guotai Junan Securities Co., Ltd., Business System Authority and Information Security Management Measures of Guotai Junan Securities Co., Ltd. and Implementation Rules for Data Security Management, clarified the main objectives, basic requirements, work tasks, protection measures and other key points of the Company's cybersecurity, aiming at strengthening and standardizing the Company's network and data security management, and protecting the Company's information system and data security.


In 2022, there were no confirmed major information security and customer privacy breaches in the Company.

In terms of data security management, the Company has established a three-tier management organization structure and management system composed of Data Management Leading Group, Data Management Working Group and Data Management Execution Group, and clarified the responsibilities of each level.

Data Security Management Structure of the Company




Internal and External Audit of Information Security and Privacy Protection



Cooperate with external audit work

In accordance with the relevant requirements of Baseline for Cybersecurity Classification Protection of Information Security Technology and Baseline for Cybersecurity Classification Protection of the Securities and Futures Industry, Shanghai Information Security Testing Evaluation and Certification Center conducts evaluation work on the security classification protection of the Company's information system every year according to the classification of the Company's information system.

In July 2022, the Company cooperated with the inspection team dispatched by China Securities Regulatory Commission (Shanghai) to conduct an on-site inspection, i.e. "Special Inspection of Network and Information Security in 2022".



Conduct internal audit review

The Company conducts internal audit on Junhong App every year according to the Identification Method for the Collection and Use of Personal Information by App in Violation of Laws and Regulations and Notice of the Ministry of Industry and Information Technology on Carrying out a Special Rectification Action for APP Infringement on User Rights and Interests to optimize and rectify the compliance issues on personal information security.

In terms of the certification of the information security management system, the Company has passed the third three-year certification of the ISO27001 information security management system (valid until January 2024) by the China Cybersecurity Review Technology and Certification Center and passed the 2022 annual supervision and audit in January 2022.

According to the requirements of the information security management system, the Company regularly carries out online training, phishing email tests, field case experience and other diversified activities to systematize and standardize the information security training work, and closely integrates such training with actual work to improve employees' information security protection level during their daily office work and business development. In 2022, the Company carried out more than 20 compliance and risk control culture trainings and educations through various forms such as on-site, online and email communication, and conducted phishing email tests to educate all employees on phishing attack prevention knowledge.

On-site Cybersecurity Education Activities

In 2022, the Company organized 2 on-site cybersecurity education activities and carried out offline cybersecurity experience by demonstrating scenarios including how hackers can remotely control through USB flash drive Trojan horses, obtain and copy contactless smart card information, and steal and hijack personal information through smart speakers, which deepened employees' awareness of cybersecurity risks and prevention skills through risk explanations and employees' personal experience.

The Company has incorporated data security incident response into the emergency response of cybersecurity incidents, established a sound organizational structure of emergency management, early warning response mechanism, emergency response mechanism and emergency safeguard mechanism.

Emergency Response Mechanism of Data Security

Establish an organizational structure for emergency management

The Company determines key businesses and their recovery goals, develops emergency plans, allocates sufficient key information technology resources, properly handles information technology emergencies, and actively carries out emergency drills and evaluation and improvement of information technology emergency management. The organizational structure of emergency management consists of emergency command leading group, emergency response working group, emergency linkage working group and emergency planning working group.

Establish an early warning response mechanism

The company makes a detailed report on the basic situation of the incident, the possible scope of impact and consequences, the preventive measures taken and relevant suggestions, and puts forward differentiated early warning and disposal requirements for each level according to the severity and urgency of the incident, so as to take corresponding preventive measures, and prepare equipment and resources needed for emergency.

Establish an emergency response mechanism

The Company establishes five-level event classification standards according to the event characteristics such as the duration of the event, the degree of data damage, the degree of damage to the national financial security, social order, and the legitimate rights and interests of investors, and initiates the corresponding emergency response process according to the event classification to deal with the event in a timely and effective manner;

Establish an emergency safeguard mechanism

According to the results of the Company's business impact analysis and IT service continuity risk assessment, and under the guidance of the IT service continuity strategy, the Company builds the resources required for IT service continuity management and maintains them regularly to ensure the smooth implementation of the IT service continuity plan.

The Company attaches great importance to customer privacy, defines the management norms of personal information and data in every link of business development to strictly protect the privacy information of customers from infringement.

Main Measures for Customer Privacy Protection of Guotai Junan

Empower customers to manage their own data	The Company strictly abides by laws, regulations and standards such as Personal Information Security Specification of Information Security Technology and grants customers the authority to manage their own data in accordance with Internet Platform Privacy Policy of Guotai Junan Securities, so as to ensure that customers can exercise the right to manage their personal information. Taking Junhong APP as an example, the Company has established channels for customers to access, correct and delete personal data and information.
Minimal collection of customer information	In Internet Platform Privacy Policy of Guotai Junan Securities, the Company has defined the "legal, legitimate, necessary, honest, open, and transparent" personal information collection and use requirements, and guaranteed that the collected information complies with the principle of "minimum and necessary collection" according to the requirements of data security management. That is, the collected data should meet the needs of business development or operation management, and should be consistent with the content of collection stipulated in the terms of the contract agreement and the privacy policy. Data should not be collected beyond the scope. When the relevant business is stopped or there is no need to continue to collect data, personnel of each department should immediately stop data collection.
Strictly control access to sensitive data	<p>For customers' personal data/sensitive data, the Company has carried out strict access control on data transmission, storage, use, display, sharing and other aspects, and established relevant data security protection mechanism, including:</p> <ul style="list-style-type: none">• In terms of data transmission, encryption protocols are used to protect the transmitted data;• In terms of data storage, an encrypted storage method is adopted to ensure the security in the mobile storage medium, and ensure that the storage time of customer personal information is the shortest time necessary for business;• In terms of data use, the Company authorizes and manages application accounts, operating system accounts and database accounts in accordance with the principle of "minimum permission", and conducts regular audits. In addition, the Company restricts access sources by setting up network firewalls and host firewalls, and monitors abnormal behaviors by installing host intrusion detection tools to avoid illegal intrusion or access. In the process of data use, the Company requires the business system to desensitize the display of sensitive data, strictly restricts users' viewing and downloading permissions;• In terms of data display, the Company's client app screens sensitive customer data such as mobile phone numbers and trading accounts, and adds background watermarks to platform pages, so as to reduce the risk of leakage of personal sensitive data through screenshots;• In terms of data sharing, the Company implements static desensitization and dynamic desensitization according to business needs.
Promote suppliers and partners to comply with information security requirements	According to the requirements of system documents such as Measures for the Management of Information Technology for Securities and Fund Operating Institutions and Supplier Management Measures of Guotai Junan Co., Ltd., the Company comprehensively inspects the compliance of suppliers and partners with information security through the early business stage, mid-term implementation stage, post-acceptance stage, and supplier assessment, and clearly lists the indicators related to information security in the supplier assessment.
Protect personal information throughout the life cycle of product and service development	In the process of product and service development, the Company has updated the Internet Platform Privacy Policy of Guotai Junan Securities in a timely manner, developed Technical Standards for the Protection of Personal Information in Securities Apps, adopted security measures for the whole life cycle of personal information, such as using a secure keyboard for input, using https for encrypted transmission, personal financial information (mainly various account passwords) of C3 category not stored in the client, hierarchical authority management of customer information, etc.

Intellectual Property Right Protection

The Company strictly abides by laws and regulations such as the Patent Law of the People's Republic of China, Trademark Law of the People's Republic of China, Copyright Law of the People's Republic of China. To this end, the Company has developed Intellectual Property Right Management Rules of Guotai Junan Securities Co., Ltd., established an intellectual property right management team coordinated by multiple departments, clarified the declaration process and dispute handling mechanism for trademarks, domain names, patents, works and other intellectual property rights, so as to effectively strengthen the intellectual property right management and prevent the risk of intellectual property right infringement.

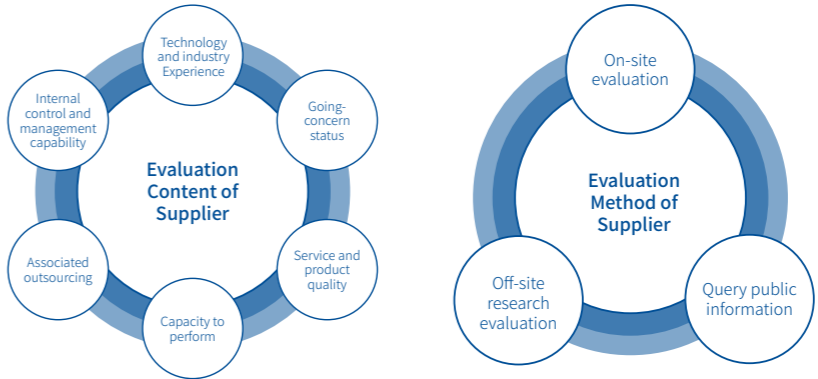
In 2022, the Company issued the Notice Requirements on Further Strengthening the Standardized Management of Intellectual Property Rights, which further requires the implementation of intellectual property right management standards, the correct use of intellectual property right resources, and timely investigation of intellectual property right risks. The Company completed the right registration and application work in a timely manner. In 2022, the Company carried out more than 130 protection projects on intellectual property right such as patent, copyright and trademark, including 61 for trademark and copyright registration, 8 for trademark reject and review, 14 for trademark renewal registration, 1 for software copyright registration and 46 for patent application.

Supplier Management

The Company divides suppliers into 14 categories according to its business scope, including software development services, office services, office equipment, office appliances, office furniture, office supplies, computer equipment, network equipment, communication equipment, passenger vehicles, clothing, financial consulting services, legal consulting services and human consulting services.

In order to standardize the Company's supplier management, strengthen cooperation with suppliers, improve the performance quality of suppliers, and better serve and support the Company's business development, the Company strictly abides by relevant national laws and regulations on procurement, and follows the Company's relevant regulations such as Procurement Management Measures (2018), Centralized Procurement Management Measures and Supplier Management Measures of Guotai Junan Securities Co., Ltd., carries out supplier management based on three modules consisting of supplier access, supplier evaluation and supplier punishment, classifies and ranks suppliers into excellent, competent, preventive and blacklisted suppliers in accordance with the supplier qualification, public information, historical cooperation and evaluation.

According to the provisions of the Supplier Management Measures of Guotai Junan Securities Co., Ltd., the Company conducts comprehensive assessment and evaluation of suppliers to ensure the quality of projects and purchased products or services while reducing costs as much as possible. At the same time, the Company actively practices the concept of green procurement, giving priority to suppliers in line with the concept of energy conservation, environmental protection and green.



In addition, the Company attaches great importance to the anti-corruption management of suppliers. On one hand, the Company internally requires relevant personnel to abide by the principle of fairness and justice in business activities such as information technology service outsourcing, business cooperation, goods and services procurement, and such personnel are not allowed to abuse their power to transfer or seek improper benefits. On the other hand, the Company stipulates that suppliers must sign the Integrity Pledge or anti-commercial bribery clauses must be added in relevant agreements for procurement projects with an amount of more than RMB 300,000.

Management of Environmental Topics

The Company strictly abides by Environmental Protection Law of the People's Republic of China, other laws and regulations and relevant provisions, and actively implements the refined management requirements of "intensiveness, cost reduction, quality improvement, and efficiency increase". By taking measures for resources and energy conservation and emission reduction, advocating energy and water conservation, and standardizing waste management measures, it comprehensively improves the awareness of environmental protection of employees to minimize their impact on the environment.

In 2022, the Company was not punished for environmental protection violations or did not receive any environmental complaints.

Energy and Carbon Emissions Management

As a financial service institution, the Company has its energy consumption mainly coming from electricity used for operation, natural gas and gasoline consumed by business vehicles. By switching off unnecessary electric equipment timely, using digital management system and promoting energy conservation concepts, the Company, in strict accordance with Energy Conservation Law of the People's Republic of China, other laws and regulations and relevant provisions, actively pursues energy conservation and emissions reduction, increases efficacy and management efficiency and acts on the high requirements for energy conservation in order to further improve energy use efficiency and reduce carbon emissions generated by operating activities.

According to statistics, the Company's total energy consumption in Shanghai in 2022 was 12,954.84 tons of standard coal, a year-on-year increase by 8.74% (target increase of 10%) compared with 11,913.84 tons in the same period last year. Based on the increase by 7.30% in floor area in 2022, it is estimated that the energy consumption per unit decreased by -1.34% (target drop -10%).

Measures for Energy Conservation and Emission Reduction of Guotai Junan in 2022

Switch off unnecessary electric equipment on non-working time and turn off all unnecessary electric switches;

Use energy-saving lamp tubes for office space,

Promote the construction of green data center.

Water Management

The Company mainly consumes waters in the offices, which is mainly sourced from municipal supplies, and has no issue in sourcing water.

The Company has widely carried out the education of water conservation, and regularly inspected water equipment and facilities to prevent leakage and venting. It will continue to improve the efficiency of water consumption through technological transformation and awareness improvement, control and reduce per capita water consumption.

Measures for Water Conservation of Guotai Junan in 2022

Post signage around the offices where water is used and encourage the water-saving behaviors;

Strengthen the daily maintenance of water use equipment, inspect and maintain the circuit system and pipeline valves on schedule in order to fundamentally eliminate waste of long flowing water and leakage;

Reduce the number of electric water dispensers in a reasonable manner, and provide customers and employees with daily drinking water by purchasing and using water-saving electric water dispensers.

The wastewater generated by the Company is mainly the domestic wastewater generated during the operation. The Company strictly complies with Water Pollution Prevention and Control Law of the People's Republic of China, other laws and regulations and relevant provisions, and incorporates domestic wastewater into the municipal sewage pipe network.

Waste Management

The non-hazardous waste produced by the Company is mainly waste paper and domestic garbage produced during the operation. The hazardous waste produced includes waste electronics, ink cartridges, toner cartridges, etc.

The Company complies with Solid Waste Pollution Prevention and Control Law of the People's Republic of China, other laws and regulations and relevant provisions, adheres to the concept of cyclic utilization and bio-safety disposal to manage waste, and makes relevant treatment methods for different types of waste to ensure that the waste is properly handled. It promotes cyclic utilization of recyclable materials through garbage classification, allows the office garbage to be uniformly cleared by the property management enterprise, and asks qualified waste treatment agencies to handle hazardous waste for recycling or reuse.

In terms of waste reduction, the Company strives to achieve source reduction by promoting paperless offices, "clear your plate" campaign, and garbage classification. At the same time, by source control and strengthening the statistics of waste amount, the Company will further control the amount of non-hazardous and hazardous waste generated to a low level.

Measures for Waste Reduction of Guotai Junan in 2022

Reduce paper consumption



- Promote electronic printing, electronic attendance checking, and electronic files
- Implement online meetings and make the materials of the meetings in an electronic manner.
- Carry out double-sided printing or printing in a reduced format, and reuse waste paper as much as possible
- Promote various online businesses and paperless operations. In 2022, a total of more than 3.2 million transactions of paper-free business have been completed. It is expected that more than 10.3 million pieces of paper are saved.

Reduce kitchen garbage



- Advocate employees to bring their own reusable utensils, and reduce the consumption of disposable food containers and the amount of kitchen waste.

Note: The quantity of paper saved for paperless business transaction is calculated by saving 3.2 pages of paper for each paperless business transaction.

ESG Quantitative Performance Table

Economic Performance Table

Indicators	Unit	2020	2021	2022
Gross revenue	RMB	35,200,282,406	42,817,138,705	35,471,284,791
Net profits	RMB	11,737,069,905	15,302,541,991	11,621,169,188
Total assets	RMB	702,899,172,246	791,272,814,529	860,688,546,079
Total taxes	RMB	5,360,367,461	5,463,179,396	5,472,310,550
Salaries paid to employees	RMB	7,250,995,672	8,726,199,596	9,691,438,623
Interest on borrowings paid to the creditors	RMB	8,804,653,548	10,162,410,511	10,822,098,879
External donations and other value created by shareholders	RMB	4,002,290,479	5,571,656,949	6,609,775,191
Including total investment for external donations	RMB	38,824,484	51,012,479	40,571,739
Ending share capital	Share	8,908,448,211	8,908,449,523	8,906,672,636
Basic earnings per share	RMB	1.20	1.65	1.24
Socila contribution value per share ¹	RMB	4.17	5.08	4.96
Cash dividends	RMB 100 million	49.83	60.58	47.21
Net profit attributable to shareholders of listed companies	RMB 100 million	111.22	150.13	115.07
The proportion of dividends to net profit	%	44.80	40.35	41.02

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

Anti-corruption Performance Table

Indicators	Unit	2020	2021	2022
The number of legal cases regarding corrupt practices against the Group and its employees proposed and concluded ¹	Case	0	0	1
Anti-corruption training	Session	26	73	33
Number of employees receiving training related to anti-corruption ²	Person	717	5,722	10,969
Hours of training related to anti-corruption per employee	Hour	0.17	1.54	20.54
Hours of directors receiving training related to anti-corruption	Person	17	17	17

Note 1: In 2022, there was one legal case regarding corrupt practices occurred in the Company's employees. The Company actively cooperated with the judicial authorities to conduct relevant investigations. The case was concluded in October 2022 and the defendant was convicted. After the incident, the Company conducted a special audit of the service procurement activities and made rectification based on the findings. The rectification included the amendment and improvement of procurement-related systems, building a clear procurement management system with clear power and responsibility, perfect internal control, and effective supervision, effectively improving the governance capacity of the procurement field, and focusing on preventing the risk of corruption.

Note 2: The number of employees receiving anti-corruption related training and training hours per employee are only for online training. Since the number of online courses themed professional integrity in 2022 has increased significantly compared with previous years, the training hours per employee have increased significantly.

Employment Performance Table

Indicators		Unit	2021	2022
Total number of employees		Person	13,341	14,492
By gender	Male	Person	7,378	7,991
	Female	Person	5,963	6,501
By employment category	Number of full-time contract employees	Person	13,170	14,294
	Number of full-time dispatched labor	Person	171	198
By age	<30 years old	Person	3,901	4,191
	From 30 to 50 years old	Person	8,474	9,196
	>50 years old	Person	966	1,105
By region	Chinese Mainland	Person	12,513	13,777
	Hong Kong, Macao, Taiwan and Overseas	Person	828	715
By education background	Doctorate degree	Person	144	162
	Master's degree	Person	4,487	5,566
	Bachelor's degree	Person	6,937	7,205
	College degree and others	Person	1,773	1,559
Number of male management		Person	404	486
Number of female management		Person	237	212
Number of employees of ethnic minorities		Person	514	562
Newly recruited graduates ²		Person	361	548
Signing rate of labor contracts		%	100	100
Total cases of employee discrimination		Case	0	0
Total number of new employees		Person	1,726	1,871
By gender	Male	Person	1,028	1,098
	Female	Person	698	773
By age	<30 years old	Person	983	1,096
	From 30 to 50 years old	Person	739	769
	>50 years old	Person	4	6
By region	Chinese Mainland	Person	1,491	1,711
	Hong Kong, Macao, Taiwan and Overseas	Person	235	160
Employee turnover rate ¹		%	9.51	9.72
By gender	Male	%	10.15	10.89
	Female	%	8.72	8.29
By age	<30 years old	%	14.79	13.34
	From 30 to 50 years old	%	7.85	8.42
	>50 years old	%	2.80	6.88
By region	Chinese Mainland	%	8.54	8.17
	Hong Kong, Macao, Taiwan and Overseas	%	24.28	39.58

Note 1: [calculation method] Employee turnover rate of employees of each category = Employee turnover rate in the specified category during the year/Number of such employees by the end of the year.

Note 2: The review showed that the indicators of the newly recruited graduates in 2021 disclosed in the previous year's report was incorrect, and it has been corrected now.

Table of Employee Training Performance

Indicators		Uni	2020	2021	2022
Total training expenditure of employees ¹		RMB10,000	1,457.31	2,628.73	2,169.00
Person-times training of employees		Person-time	639,730	743,732	778,898
Training coverage rate of employees ²		%	100	100	100
By gender	Male	%	52.75	53.38	54.03
	Female	%	47.25	46.62	45.97
By employee type	Senior management	%	0.17	0.10	0.06
	Middle management	%	2.92	2.26	2.49
	Ordinary employee	%	96.91	97.64	97.45
Annual average training hours per person ³		Hour	61.72	61.84	68.01
By gender	Male	Hour	58.51	59.85	68.46
	Female	Hour	65.30	64.12	67.49
By employee type	Senior management	Hour	35.05	17.96	17.45
	Middle management	Hour	48.36	58.94	51.40
	Ordinary employee	Hour	62.16	61.95	68.47

Note 1: [Statistical calibers] – The statistical calibers of total training expenditure of employees is within the scope of consolidated statements of Guotai Junan, and other statistical calibers is the parent company of Guotai Junan. The Company has traced and corrected the data of 2020 and 2021 according to the above-mentioned statistical calibers in this report.

Note 2: [calculation method] Training coverage rate of a type of employees = number of trained employees of the type/total number of trained employees.

Note 3: [calculation method] Annual training hours of employees in a category per person = Total hours of training of employees in the specified category /number of employees in the specified category.

Table of Performance Indicators of Occupational Health and Safety

Indicators	Unit	2021	2022
Coverage rate of health physical examination of employees ¹	%	100	100
Work injuries	Time	3	0
Lost days due to work injuries	Day	67	0
Number of work-related fatalities	Person	0	0

Note 1: [calculation method] Coverage rate of physical examinations of employees= number of employees receiving health examination during the year/total number of employees by the end of the year.

Table of Performance Indicators of Customer Service

Indicators	Unit	2020	2021	2022
Number of customer consultations ¹	10,000 person-time	331.67	339.62	373.38
Including complaints ²	case	2,296	964	540
Proportion of complaints resolved	%	100	100	100
The number of confirmed complaints of violation of customer privacy and loss of customer data	case	0	0	0

Note 1: The number of customer consultations includes volume of manual service for telephone and online customer and Lingxi intelligent customer service.

Note 2: In recent years, the Company has continuously improved the complaint handling mechanism, optimized the process of complaint handling, and formulated a complaint response mechanism and an initial consultation accountability system to promote the Company's complaint management work and to achieve rapid response, standardized processing, strict process, and responsibility fulfillment. In addition, the Company carries out special training related to complaint handling and continuously acts on the requirements of complaint handling. Therefore, the number of complaints declined year by year from 2020 to 2022.

Table of Community Investment Performance Indicators

Indicators	Unit	2020	2021	2022
Total social investment ¹	RMB10,000	3,296.91	3,062.35	3,300.75
Volunteer services person-times of employees	Person-time	1,601	1,037	6,584
Volunteer services hours of employees	Hour	6,537	4,055	26,336

Note 1: [Statistical calibers] For total social investment, volunteer services person-times of employees, and volunteer services hours of employees, the statistical caliber is the parent company of Guotai Junan.

Table of Environmental Performance Indicators¹

Indicators		Unit	2021	2022
Total GHG emissions ² (Scope 1 and 2)		tons CO ₂ -eq	39,174.95	39,595.60
Including scope 1 GHG emissions		tons CO ₂ -eq	3,054.07	2,109.56
Including scope 2 GHG emissions		tons CO ₂ -eq	36,120.88	37,486.04
Per capita GHG emissions (Scope 1 and 2)		tons CO ₂ -eq/employee	2.94	2.73
GHG emissions per unit area (Scope 1 and 2)		tons CO ₂ -eq/sq.m.	0.09	0.09
Gasoline consumption of owned vehicles ³		Liter	888,358.87	599,469.14
Natural gas consumption ³		cu.m.	299,565.00	234,287.54
Per capita consumption of natural gas		cu.m./person	22.45	16.17
Natural gas consumption per unit area		cu.m./sq.m.	0.71	0.50
Total consumption of power		kWh	61,905,744.94	66,376,550.90
Per capita consumption of power		kWh/person	4,640.26	4,580.22
Power consumption per unit area		kWh/sq.m.	147.58	142.68
Total water consumption		cu.m.	259,800.33	237,466.20
Per capita water consumption		cu.m./person	19.47	16.39
Water consumption per unit area		cu.m./sq.m.	0.62	0.51
Non-hazardous waste	Domestic garbage	Ton	—	400.00
	Kitchen Waste	Ton	—	250.00
	Waste paper	Ton	—	2.40
Hazardous waste	Ink cartridges	Unit	—	250

Note 1: [Statistical calibers] In 2022, the statistical calibers of GHG emissions, energy consumption and water consumption related indicators include Guotai Junan Headquarter and its branch offices, Guotai Junan Zhengyu Investment Co., Ltd., Guotai Junan Innovation Investment Co., Ltd., Guotai Junan Futures Co., Ltd., Guotai Junan Asset Management, Guotai Junan Financial Holdings (including Guotai Junan International), and HuaAn Funds (Compared with those of 2021, HuaAn Funds and two more subsidiaries are added); in 2021, it included Guotai Junan Headquarter and its branch offices, Guotai Junan Zhengyu Investment Co., Ltd., Guotai Junan Innovation Investment Co., Ltd., Guotai Junan Futures Co., Ltd., Guotai Junan Asset Management, and Guotai Junan Financial Holdings (including Guotai Junan International). The statistical calibers of non-hazardous and hazardous waste include Guotai Junan Headquarter, which are counted and disclosed from 2022.

Note 2: [Calculation method] The scope of GHG emissions includes the direct GHG emissions generated by the Company's natural gas consumption, the gasoline consumption of self-owned vehicles, and the indirect GHG emissions generated by outsourcing power. For calculation methods, refer to national grid emission factor in Notice on Doing a Good Job in 2023 – 2025 Reporting and Management of Greenhouse Gas Emissions of Power Generation Enterprises issued by Ministry of Ecology and Environment of the People's Republic of China, Appendix 2 Reporting Guidance on Environmental KPIs of How to Prepare an ESG Report (May 2021) of Hong Kong Stock Exchange, Corporate Greenhouse Gas Emissions Accounting Methods and Reporting Guidelines – Power Generation Facilities published by the Ministry of Ecology and Environment of the People's Republic of China in 2022, and China Energy Statistical Yearbook 2021 issued by National Bureau of Statistics of China in 2022

Note 3: For the reason that employees were working from home for part of 2022,, the gasoline consumption of the Company's owned vehicles and natural gas consumption in 2022 decreased significantly.

Appendix
Awards and Recognitions

Honors and Awards Obtained by Guotai Junan in 2022

Honors and Awards Obtained	Issued by
Demonstration State-owned Enterprise of Corporate Governance Excellent CSR Example of Local State-own Enterprises Admission to the List of Top 100 Index Enterprises and the List of Excellent Cases for Pioneers of State-owned Assets and State-owned Enterprises in the Blue Book of Social Responsibility (2022).	State-owned Assets Supervision and Administration Commission of the State Council
"'Finance + Public Welfare', be a practitioner of Rural Revitalization and Public Charity" was rated as one of the Top Ten Social Responsibility Cases in 2021 under the Municipal SASAC System. The 2021 Social Responsibility Report of the Company was rated as one of the Top 10 Social Responsibility Reports in 2021 under the Municipal SASAC System.	Shanghai Municipal SASAC
National Excellent Enterprise for Ideological and Political Work	Research Association of Ideological and Political Work of China Financial Institutions
The Second Prize of Science and Technology Awards of Securities and Futures Industry	Securities Association of China
Shanghai Charity Award and Donation Enterprise Award in the first session	Shanghai Municipal People's Government
Excellent Underwriter of Corporate Bonds Excellent Underwriter of Industrial Bonds Excellent Underwriter for Serving National Strategies Excellent Institution of Bonds Investment Excellent Participant of Bond Lending and Borrowing Business Excellent Participant of Credit Protection Instrument Business Demonstrative Example of Bond Credit Risk Management Excellent Market Maker of Shares in Science and Technology Board	Shanghai Stock Exchange
Golden Bull Securities Company Golden bull Award for cultural construction in securities companies Top 10 Securities Companies for Serving Listing of Science and Technology Innovation Companies Golden Bull Award for Wealth Management Team Golden Bull Award for Finance and Technology of Securities Company	China Securities Journal
Junding Award for all-round digital transformation Top 10 Brands App Junding Award App Junding Award for investment advisory service	Securities Times - Securities Companies in China
Most Influential Research Institution, etc. (total 10 awards)	Shanghai Securities Journal
Top 3 Listed Companies of Brand Value in China Securities Industry The most influential custody brokers Annual Best A Shares Team of Bonds Underwriter Annual users' favorite APP	National Business Daily
Excellent Securities Company of Wealth Management Excellent APP of Securities Company Yinghua Award of Fund Investment Advisory Service in China	China Fund News
Best Investment Bank Best Equity Underwriter, etc. (total 17 awards)	Wind Information Co., Ltd.
Listed in China ESG 50 released by Forbes China	Forbes China
Future ESG Award for Annual Outstanding Contribution to Society	KPMG China
ATD 2022 Excellence in Practice Award	Association for talent development

Definitions

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

Frequently-used Terms	Detailed definitions
The Company/Guotai Junan / Guotai Junan Securities	Guotai Junan Securities Co., Ltd.
We/us	Guotai Junan Securities Co., Ltd. and its subsidiaries
Guotai Junan Asset Management	Shanghai Guotai Junan Securities Asset Management Co., Ltd.
Guotai Junan Futures	Guotai Junan Futures Co., Ltd.
Guotai Junan Financial Holdings	Guotai Junan Financial Holdings Co., Ltd.
Hong Kong Subsidiaries	Guotai Junan Financial Holdings Co., Ltd. and its controlled subsidiaries
Guotai Junan International	Guotai Junan International Holdings Limited, controlled by Guotai Junan Financial Holdings Co., Ltd. and a public company listed on the Hong Kong Stock Exchange
Guotai Junan Innovation Investment	Guotai Junan Innovation Investment Co., Ltd.
Guotai Junan Zhengyu	Guotai Junan Zhengyu Investment Co., Ltd.
HuaAn Funds	HuaAn Funds Management Co., Ltd.
SASAC	State-owned Assets Supervision and Administration Commission of the State Council
CSRC	China Securities Regulatory Commission
Shanghai Bureau of the CSRC	Shanghai Office of the China Securities Regulatory Commission
Shanghai Office of CSRC	Shanghai Office of China Securities Regulatory Commission
SSE/Shanghai Stock Exchange	Shanghai Stock Exchange
SZSE/ Shenzhen Stock Exchange	Shenzhen Stock Exchange
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
Shanghai Clearing House	The Interbank Market Clearing House Co., Ltd.
NEEQ	National Equities Exchange and Quotations Co., Ltd.
China Securities Investor Services Center	China Securities Investor Services Center Co., Ltd.
CSDC	China Securities Depository and Clearing Company Limited
Company Law	the Company Law of the PRC
Securities Law	the Securities Law of the PRC
A Shares	Domestic shares of the Company, with a nominal value of RMB 1 each, which are listed and traded on the Shanghai Stock Exchange
H Shares	Common shares of the Company, with a nominal value of RMB 1 each, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
REIT	Real Estate Investment Trust
FOF	Fund of Fun
ABS	Asset-backed Securities
IPO	Initial Public Offering
CCER	Chinese Certified Emission Reduction
CMMI5	Software Capability Maturity Model Integration 5 refers to optimization of management level and is the highest certification of excellent performance such as software R&D standardization, specification and maturity.
PPP	Public Private Partnership
General Meeting of Shareholders	The general meeting of shareholders of the Company
Board/Board of Directors	the board of Directors of the Company
Supervisory Committee	the Supervisory Committee of the Company
Social Welfare Foundation	Shanghai Guotai Junan Social Welfare Foundation
Sci-Tech Innovation Board	The Science and Technology Innovation Board
RMB	The official currency renminbi of the People's Republic of China
Report Period	From January 1, 2022 to December 31, 2022

Report Benchmarking Index Table

Index Table of Shanghai Stock Exchange Guidelines No. 1 for Self-Regulatory Supervision of Listed Companies - Standardized Operation

Disclosure Requirement	Chapter Index
8.1	Deepening Digital Transformation and Providing Quality Services ADHERING TO THE SPIRIT OF HONESTY AND PRAGMATISM AND FINANCE FOR GOOD LOW-CARBON FIRST, DRAWING A BLUEPRINT FOR LUCID WATERS AND LUSH MOUNTAINS ESG MANAGEMENT POLICY AND KEY PERFORMANCE
8.2	Corporate Governance Management of Social Topics
8.3	Topic: deepening responsibility management and consolidating ESG core ADHERING TO THE SPIRIT OF HONESTY AND PRAGMATISM AND FINANCE FOR GOOD LOW-CARBON FIRST, DRAWING A BLUEPRINT FOR LUCID WATERS AND LUSH MOUNTAINS
8.4	ESG MANAGEMENT POLICY AND KEY PERFORMANCE
8.5	Requirements met
8.6	UPHOLDING INTEGRITY AND INNOVATION, COMMITTED TO SERVING THE COUNTRY IN FINANCE ADHERING TO THE SPIRIT OF HONESTY AND PRAGMATISM AND FINANCE FOR GOOD LOW-CARBON FIRST, DRAWING A BLUEPRINT FOR LUCID WATERS AND LUSH MOUNTAINS ESG MANAGEMENT POLICY AND KEY PERFORMANCE
8.7	Corporate Governance Management of Social Topics
8.8	LOW-CARBON FIRST, DRAWING A BLUEPRINT FOR LUCID WATERS AND LUSH MOUNTAINS Management of Environmental Topics
8.9	Management of Environmental Topics
8.10	Management of Environmental Topics
8.11	Management of Environmental Topics
8.12	N/A
8.13	N/A
8.14	Adhering to the people-oriented concept to promote talent development Management of Social Topics
8.15	Requirements met

Index Table of the Stock Exchange of Hong Kong's ESG Reporting Guide (Effective on January 1, 2022)

Aspects, General Disclosures and KPIs		Disclosure Chapters
Main Category A. Environmental		
Aspect A1. Emissions		
General Disclosures A1	Promoting Low-carbon Development and Practicing Environmental Protection and Public Welfare Management of Environmental Topics	
KPI A1.1	Management of Environmental Topics ESG Quantitative Performance Table	
KPI A1.2	ESG Quantitative Performance Table	
KPI A1.3	ESG Quantitative Performance Table	
KPI A1.4	ESG Quantitative Performance Table	
KPI A1.5	Promoting Low-carbon Development and Practicing Environmental Protection and Public Welfare Management of Environmental Topics	
KPI A1.6	Management of Environmental Topics	
Aspect A2. Use of Resources		
General Disclosures A2	Promoting Low-carbon Development and Practicing Environmental Protection and Public Welfare Management of Environmental Topics	
KPI A2.1	ESG Quantitative Performance Table	
KPI A2.2	ESG Quantitative Performance Table	
KPI A2.3	Promoting Low-carbon Development and Practicing Environmental Protection and Public Welfare Management of Environmental Topics	
KPI A2.4	Management of Environmental Topics	
KPI A2.5	The Company's products are financial products, so this indicator is no applicable.	
Aspect A3. The Environment and Natural Resources		
General Disclosures A3	Promoting Low-carbon Development and Practicing Environmental Protection & Public Welfare Management of Environmental Topics	
KPI A3.1	Promoting Low-carbon Development and Practicing Environmental Protection & Public Welfare Management of Environmental Topics	
Aspect A4. Climate Change		
General Disclosures A4	Promoting Low-carbon Development and Practicing Environmental Protection & Public Welfare	
KPI A4.1	Promoting Low-carbon Development and Practicing Environmental Protection & Public Welfare	
Main Category B. Social Employment and Labor Practice		
Aspect B1. Employment		
General Disclosures B1	Adhering to the People-oriented Principle and Empowering Talent Development Management of Social Topics	
KPI B1.1	ESG Quantitative Performance Table	
KPI B1.2	ESG Quantitative Performance Table	
Aspect B2. Health and Safety		
General Disclosures B2	Management of Social Topics	
KPI B2.1	ESG Quantitative Performance Table	
KPI B2.2	ESG Quantitative Performance Table	
KPI B2.3	Management of Social Topics	
Aspect B3. Development and Training		
General Disclosures B3	Adhering to the People-oriented Principle and Empowering Talent Development Management of Social Topics	
KPI B3.1	ESG Quantitative Performance Table	
KPI B3.2	ESG Quantitative Performance Table	

Aspects, General Disclosures and KPIs		Disclosure Chapters
Aspect B4. Labor Standards		
General Disclosures B4		Management of Social Topics
KPI B4.1		Management of Social Topics
KPI B4.2		Management of Social Topics
Main Category B. Social Operation Practice		
Aspect B5. Supply Chain Management		
General Disclosures B5		Management of Social Topics
KPI B5.1		ESG Quantitative Performance Table
KPI B5.2		Management of Social Topics ESG Quantitative Performance Table
KPI B5.3		Management of Social Topics
KPI B5.4		Management of Social Topics
Aspect B6. Product Responsibility		
General Disclosures B6		Deepening Digital Transformation and Providing Quality Services Management of Social Topics
KPI B6.1		The Company's products are only financial products, so product recycling is not involved.
KPI B6.2		Deepening Digital Transformation and Providing Quality Services ESG Quantitative Performance Table
KPI B6.3		Management of Social Topics
KPI B6.4		The Company's products are only financial products, so product recycling is not involved.
KPI B6.5		Management of Social Topics
Aspect B7. Anti-corruption		
General Disclosures B7		Corporate Governance
KPI B7.1		Corporate Governance ESG Quantitative Performance Table
KPI B7.2		Corporate Governance
KPI B7.3		Corporate Governance ESG Quantitative Performance Table
Aspect B8. Community Investment		
General Disclosures B8		Special: Boosting Striving Force and Drawing up a Vision for Shared Prosperity Focusing on Rural Revitalization and Practicing Charity
KPI B8.1		Focusing on Rural Revitalization and Practicing Charity
KPI B8.2		Focusing on Rural Revitalization and Practicing Charity ESG Quantitative Performance Table

GRI Content Index

Statements of Use	Guotai Junan Securities Co., Ltd. reported the information cited in this GRI content index with reference to the GRI standards from January 1, 2022 to December 31, 2022.
GRI 1 used	GRI 1: Foundation 2021

GRI Standards (2021)	Disclosure Item		Report Chapter
General Disclosures			
GRI 2: General Disclosures 2021	2-1	Enter Guotai Junan Securities	
	2-2	Description of Report Preparation	
	2-3	Description of Report Preparation	
	2-4	Description of Report Preparation	
	2-6	Enter Guotai Junan Securities	
	2-7	Social Management	
	2-8	Management of Social Topics	
	2-9	Special: Deepening Responsibility Management and Strengthening ESG Foundation Corporate Governance	
	2-10	Corporate Governance	
	2-11	Corporate Governance	
	2-12	Special: Deepening Responsibility Management and Strengthening ESG Foundation Management of Social Topics	
	2-13	Special: Deepening Responsibility Management and Strengthening ESG Foundation	
	2-14	Special: Deepening Responsibility Management and Strengthening ESG Foundation	
	2-16	Special: Deepening Responsibility Management and Strengthening ESG Foundation	
	2-17	Special: Deepening Responsibility Management and Strengthening ESG Foundation	
	2-22	Special: Deepening Responsibility Management and Strengthening ESG Foundation	
	2-27	ESG MANAGEMENT POLICY AND KEY PERFORMANCE	
	2-28	Honors and Awards	
	2-29	Communications with Shareholders and Material Analysis	
	GRI 3: Material Topics 2021	3-1	Communications with Shareholders and Material Analysis
3-2			
Economic			
GRI 3: Material Topics 2021	3-3	Strengthening Innovation oriented Development and Concentrating on Inclusive Finance Special: Promoting Regional Development and Serving National Strategies Strengthening Innovation oriented Development and Concentrating on Inclusive Finance Special: Boosting Striving Force and Drawing up a Vision for Shared Prosperity Focusing on Rural Revitalization and Practicing Charity Putting Low-carbon First and Drawing a Blueprint for Lucid Waters and Lush Mountains Corporate Governance	
GRI 201: Economic Performance 2016	201-1	Highlights of responsibility fulfillment of Guotai Junan in 2022	
	201-2	Promoting Low-carbon Development and Practicing Environmental Protection & Public Welfare	
GRI 203: Indirect Economic Impacts 2016	203-1	Special: Promoting Regional Development and Serving National Strategies Strengthening Innovation oriented Development and Concentrating on Inclusive Finance	
	203-2	Special: Boosting Striving Force and Drawing up a Vision for Shared Prosperity Focusing on Rural Revitalization and Practicing Charity	
GRI 205: Anti-corruption 2016	205-1	Corporate Governance	
	205-2		
	205-3		

GRI Standards (2021)	Disclosure Item	Report Chapter
Environmental		
GRI 3: Material Topics 2021	3-3	Promoting Low-carbon Development and Practicing Environmental Protection & Public Welfare Management of Environmental Topics ESG Quantitative Performance Table
GRI 302: Energy 2016	302-1	Promoting Low-carbon Development and Practicing Environmental Protection & Public Welfare Management of Environmental Topics ESG Quantitative Performance Table
	302-2	
	302-3	
	302-4	
GRI 303: Water and Effluents 2018	303-1	Management of Environmental Topics ESG Quantitative Performance Table
	303-2	
	303-3	
	303-5	
GRI 305: Emissions 2016	305-1	Management of Environmental Topics ESG Quantitative Performance Table
	305-2	
	305-3	
	305-4	
	305-5	
GRI 306: Waste 2020	306-1	Management of Environmental Topics ESG Quantitative Performance Table
	306-2	
	306-3	
Social		
GRI 3: Material Topics 2021	3-3	Adhering to the People-oriented Principle and Empowering Talent Development Management of Social Topics ESG Quantitative Performance Table
GRI 401: Employment 2016	401-1	Management of Social Topics ESG Quantitative Performance Table
	401-2	
GRI 403: Occupational Health and Safety 2018	403-3	Management of Social Topics ESG Quantitative Performance Table
	403-6	
	403-9	
GRI 404: Education and Training 2016	404-1	ESG Quantitative Performance Table
	404-2	Adhering to the People-oriented Principle and Empowering Talent Development
	404-3	ESG Quantitative Performance Table
GRI 405: Diversity and Equal Opportunity 2016	405-1	Management of Social Topics
GRI 406: Non-discrimination 2016	406-1	Management of Social Topics
GRI 408: Child Labor 2016	408-1	Management of Social Topics
GRI 417: Marketing and Labeling 2016	417-1	Management of Social Topics
	417-2	
	417-3	
GRI 418: Customer Privacy 2016	418-1	Management of Social Topics ESG Quantitative Performance Table

Description of Report Preparation

As the 9th ESG report of Guotai Junan Securities Co., Ltd., it aims to disclose the Company's social responsibility and ESG work strategies, actions and results in 2022.

Reporting Scope

Organization scope: Consistent with the Company's annual consolidated statements.

Duration: From January 1, 2022 to December 31, 2022.

Release cycle: Annual. The previous report is for 2021.

Reporting Basis

This report has been prepared based on the Shanghai Stock Exchange Guidelines No. 1 for Self-Regulatory Supervision of Listed Companies - Standardized Operation (2022), Appendix 27 - Environmental, Social and Governance Reporting Guide of the Listing Rules of Hong Kong Stock Exchange (Effective on January 1, 2022), and with reference to the Standards for the Contents and Formats of Information Disclosure by Companies Offering Securities to the Public No. 2 - Contents and Formats of Annual Reports (2021 Revision) issued by China Securities Regulatory Commission and Sustainability Reporting Standards (2021) of GRI. For the "Report Benchmarking Index Table", see the disclosure of various indicators. The contents of this report are in compliance with the relevant requirements of the aforementioned guidelines as well as the "comply or explain" provisions set out in the Environmental, Social and Governance Reporting Guide.

Description of Report Data

The data and cases described in the report come from the original records or financial reports prepared by Guotai Junan and its subsidiaries. Unless otherwise specified, the currency in the report is in RMB. In case of any inconsistency with the financial reports, the financial reports shall prevail. Unless otherwise stated, the statistical calibers of relevant text and data described in the report are within the scope of the Company's financial statements,.

Reporting Principles

This report has been prepared based on the following principles:

- Materiality: This report determines the substantive issues that need to be responded through the materiality analysis, and focuses on the significant ESG issues which may have important impacts on investors and other stakeholders.
- Quantitative: This report discloses KPIs in quantitative terms and clarifies the meaning of indicators, calculation basis, and assumptions for a thorough evaluation and verification of the effectiveness of its ESG policies and management systems.
- Balance: This report reflects the objective fact in an unbiased manner. Both positive and negative information and performance are disclosed and a reasonable explanation of the response method of negative information is given to avoid the selection, omission or report format that may improperly affect the decision or judgment of report readers.
- Consistency: The report defines clearly the statistical methods and calibers of disclosed ESG KPIs, and tries to ensure that the indicators and calculation methods in different reporting periods are consistent to reflect the trend of performance.

Report Access

This report is available in PDF format at following websites:

- Shanghai Stock Exchange (<http://www.sse.com.cn>)
- HKEX (<http://www.hkexnews.hk>)
- The Company's website(<http://www.gtja.com>)