

2024

GUOTAI JUNAN SECURITIES CO., LTD.

Environmental, Social and Governance Report



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01 SUSTAINABLE DEVELOPMENT STATEMENT OF THE BOARD

2024 marked the 20th anniversary of the concept of ESG proposed by the United Nations Global Compact and was also an important year for global ESG information disclosure to become "standardized". The first two international sustainability disclosure standards issued by the International Sustainability Standards Board (ISSB) are *International Financial Reporting Standards No. 1 (IFRS S1) - General Requirements for Disclosure of Sustainability-related Financial Information* and *International Financial Reporting Standards No. 2 (IFRS S2) - Climate-related Disclosures*, which came into effect on 1 January 2024. Nine departments including the Ministry of Finance of China also released *Standards for Corporate Sustainability Disclosure - Basic Standards (Trial Implementation)*, marking the official start of the process of building a unified national sustainable disclosure standards system. Under the unified deployment of the CSRC, the three major exchanges in Shanghai, Shenzhen and Beijing issued the *Guidelines on Sustainability Reporting for Listed Companies* in April 2024, China Association of Listed Companies released the *Guidelines on Sustainability Reporting for Listed Companies* in September 2024, and the three exchanges in Shanghai, Shenzhen and Beijing released the *Guidelines on Self-Regulation of Listed Companies - Sustainability Report Preparation* in January 2025, which provide detailed guidance for companies to implement ESG management practices and carry out sustainability information disclosure.

In 2024, Guotai Junan actively implemented the spirit of the Third Plenary Session of the 20th CPC Central Committee, the Central Financial Work Conference, the Central Economic Work Conference and the work requirements of the Municipal Party Committee and Municipal Government of Shanghai, and systematically promoted ESG and sustainable development, significantly improved operating results and operating quality and efficiency, and compliance risk control and company operations have been orderly stable, achieving the highest AAA level among global peers in the international MSCI ESG rating, and the highest AA level in the industry in the domestic Wind ESG rating. The Company was listed in the "State-owned Enterprises (SOE) Social Responsibility Pioneer 100 Index" and the "ESG Pioneer 100 Index of Listed SOE" by the State-owned Assets Supervision and Administration Commission of the State Council, as well as the "Financial Pioneer 30 of Chinese ESG Listed Companies" and "Yangtze River Delta Pioneer 50 of Chinese ESG Listed Companies" by China Media Group, and was awarded the "Golden Bull Award for ESG in the Securities Industry" by China Securities Journal, and the "Jinding Award of ESG Pioneers Among Securities Company of the Year" by National Business Daily.

The Company has established a robust structure of ESG and sustainable development. The Board is responsible for supervising, reviewing, and making decisions on strategies and its implementation of sustainable development, assessing risks and opportunities of ESG work to and for the operations of the Company, while the Strategy and ESG Committee

of the Board is responsible for giving advice and recommendations for the decisions of the Board. The Company has set up an ESG and Sustainable Development Committee at the management level, which is responsible for implementing the strategic deployment and decision-making requirements of the Board, and comprehensively integrating ESG factors into all aspects of the Company's operation and management. The Company has established an investment transaction group, a green financing group, a risk management group, and a green operation and social public welfare group under the ESG and Sustainable Development Committee, responsible for coordinating and promoting the cross-department business on ESG and sustainable development.

The Company reviews and updates material issues on a yearly basis and actively responds to the expectations and demands of stakeholders. In accordance with the latest regulatory requirements, the Company has integrated the 51 material issues in 2023 into a total of 24 material issues under four categories, namely sustainable finance, environment, society and governance, with additional topic of "Pollutants Emission" under Environmental Issues, "Protection of Investor Rights and Interests" under "Products and Services Quality", "Tax Management" under "Compliance Management", and "Anti-Unfair Competition" under "Business Ethics". Among the 24 material issues, 7 of which, namely, "Serving the Real Economy", "Carbon Finance", "Sustainable Investment", "Sustainable Finance", "Climate Response", "Data Security and Customer Privacy Protection" and "Human Capital Development", are of importance in terms of financing and influence. In particular, issues with financial importance also include "Risk Management". This report makes full disclosure of the 24 material issues, and analyses and discloses the 8 financial material issues above in terms of four areas: "Governance", "Strategy", "Impacts, Risks and Opportunities Management" and "Indicators and Targets".

In terms of sustainable finance issues, the Company focused on improving the quality and efficiency of financial services for the real economy. In 2024, the Company assisted 19 technological innovation enterprises in equity financing for nearly RMB20 billion, with underwriting scale of technological innovation bonds ranking among the top three in the industry, and the scale of the "Fund of Funds + Industry Fund" of technological innovation themed fund matrix exceeding RMB30 billion, with direct investment in more than 150 technological innovation enterprises, and involved in and facilitated development of over 1,000 technological innovation enterprises. The Company has accelerated the building of carbon financial service system for customers, providing carbon asset pledge and disposal transaction services for Construction Bank, Industrial and Commercial Bank of China, Huaxia Bank, etc. Overseas subsidiaries have successively launched European Union Allowances (EUA) futures trading and Total Return Swap (TRS) trading linked to EUA, and the Company's turnover in the carbon trading market was about 13 million tonnes in 2024, which will continue to maintain its

leading position in the industry. The Company has been strengthening in the construction of ESG investment and research system, and the scale of investment where ESG factors incorporated into investment decision-making process accounted for 82.26%, with cumulative issuance of 12 ESG-themed public funds, a total scale of RMB 10.552 billion, and the ESG asset custody outsourcing scale (bilateral) of RMB 9.973 billion, representing an increase of 173.91% compared with that of 2023. The Company has built a comprehensive sustainable financing system, which completed 17 ESG equity financing projects with an underwriting scale of RMB 8.577 billion, and underwrote green bonds of RMB 29.636 billion, ranking among the top three in the industry, where ESG-themed ABS products issued ranked first in the market in terms of historic cumulative number.

As to environmental issues, the Company has taken strong measures to reduce GHG emissions. In 2024, the GHG emissions (Scope 1 + Scope 2) of the Company reduced by 3.94% compared with 2023, and the GHG emissions per unit area (Scope 1 + Scope 2) reduced by 8.04% compared with 2023. Guotai Junan International, a subsidiary of the Company, achieved "operational carbon neutrality" for the second consecutive year. The Company comprehensively implemented refinement management of energy consumption in office premises, carried out in-depth energy-saving transformation of data centers, and completed energy consumption control target per unit of floor area provided by the Development and Reform Commission of Jing'an District of Shanghai, where the Company's headquarter is located. In 2024, the Company's own data centers saved energy by 7.25 million kilowatt-hours, and the PUE value dropped to 1.71 for five consecutive years. The Company continued to make good use of water resources and manage waste and pollutants, and water consumption per capita has been reducing year by year since 2021.

As to social issues, the Company upholds the principles of "serving the country with financial services" and "finance for good". Since the establishment of the Public Welfare Foundation in 2012, the Company and its employees have donated more than RMB 320 million to the Public Welfare Foundation, directly benefiting more than 1.38 million people, and won the 12th "China Charity Award" as well as the first and second "Shanghai Charity Award". In 2024, the Company will invest RMB 36.6109 million in public welfare, of which RMB 24.5411 million were invested in rural revitalization, benefiting 128 thousand people. The Company continues to promote comprehensive digital transformation characterized by "online", "digitalized" and "intelligent applications", and is the only securities company in domestic that holds three major certifications of international standards for IT management, namely CMMI5, ISO20000, and ISO27001, and is one of the industry's first securities traders that passed the outbound data security assessment by the Cyberspace Administration of China. The Company has set up a special investor rights protection division, won the national championship in the *Shareholders Have Come* investor rights and interests knowledge competition, and has been awarded many times titles of "Outstanding Investor Liaison Point" and "Outstanding Investor Liaison Officer" by the China Securities Investor Services Centre. The

Company has published over 1,300 original investor education products, organized and conducted 5,262 investor education activities with more than 11.55 million participants, and the national investor education base of the Company has been awarded excellent rating by the CSRC for six consecutive years. The Company provides the highest standards of data security and customer privacy protection in the industry and is the first company in the industry that passed Level 3 assessment of Data Security Maturity Model (DSMM) and obtained the industry's highest star certification of the "Personal Information Protection Impact Assessment (PIA)". The Company upholds the concept that "talents are the No. 1 resources", further promotes the strategy of "strengthening the Company with the help of talents". In 2024, the Company conducted 1.128 million hours of training for employees and awarded "2024 Model Employer for Talent Attraction and Retention" from 51job.com.

As to governance issues, the Company has always adhered to Party leadership with keen political direction, integrates the establishment of the Party into its operation and management, and promotes the implementation of financial culture with Chinese characteristics and securities industry culture into its corporate culture. In 2024, the Company was awarded Grade AA of Class A in the 2023 Cultural Construction Practice Assessment for Securities Company by the Securities Association of China and was awarded the highest rating of the industry's cultural construction practice assessment for four consecutive years. The Company adheres to the principle of "future development relies on compliant operations", continues to improve the compliance risk control system and carries out comprehensive risk management vertically and at group level, strictly implements the anti-money laundering responsibilities of financial institutions, seriously work on management of taxation risk and intellectual property rights protection, strengthens the audit and rectification of the closed-loop and the management of honesty practices, and resolutely defends the bottom line of no incident of major risk. It continued to maintain high evaluation results in the classification evaluation of securities companies by the China Securities Regulatory Commission, and has been continuously listed in the whitelist of securities companies of CSRC, and continued to maintain the highest international credit rating level in the domestic securities industry.

Going forward, Guotai Junan will continue to implement the decisions and arrangements of the Central Government, Shanghai Municipal Party Committee and the Municipal Government, fully, accurately and comprehensively carry out the new development concept, profoundly comprehend the political and people-oriented nature of financial work, continue to integrate and enhance the industry's competitive advantages and leading position, accelerate the construction of investment bank with international competitiveness and market leadership, and contribute greater financial strength to a high-quality development of the economy and society.

This report has made comprehensively disclosure of material issues on ESG and sustainable development and has been deliberated and approved by the Board of Directors of the Company.

02 ABOUT THIS REPORT

Guotai Junan Securities Co., Ltd. ("Guotai Junan Securities", "Guotai Junan" or "the Company") has prepared and published its annual *Social Responsibility (ESG) Report* since its listing in 2015. Since 2023, this report is renamed as the *Sustainability (ESG) Report*, the purpose of which is to disclose the progress of the Company's ESG work and sustainable development to stakeholders.

2.1 Reporting Scope

Duration: From January 1, 2024 to December 31, 2024.

Release cycle: Annual. The previous report is for 2023.

Scope: Unless otherwise stated, the reporting scope of Guotai Junan Securities Co., Ltd. and its subsidiaries (the "Group") is consistent with the Company's annual consolidated statements. The full names and abbreviations of the subsidiaries stated in the consolidated statements covered by this report are shown in the table below.

Table 2-1 The full names and abbreviations of the subsidiaries stated in the consolidated statements of Guotai Junan

Full names of companies	Abbreviations of companies
Guotai Junan Futures Co., Ltd.	Guotai Junan Futures
Guotai Junan Zhengyu Investment Co., Ltd.	Guotai Junan Zhengyu
Guotai Junan Innovation Investment Co., Ltd.	Guotai Junan Innovation Investment
Shanghai Guotai Junan Securities Asset Management Co., Ltd.	Guotai Junan Asset Management
HuaAn Funds Management Co., Ltd.	HuaAn Funds
Guotai Junan Financial Holdings Co., Ltd.	Guotai Junan Financial Holdings
Guotai Junan International Holdings Limited	Guotai Junan International

2.2 Basis of Preparation

This report has been prepared based on the *Shanghai Stock Exchange Guidelines No. 1 for Self-Regulatory Supervision of Listed Companies - Standardized Operation (Amended in December 2023)*, the *Shanghai Stock Exchange Guidelines No. 14 for Self-Regulatory Supervision of Listed Companies – Sustainable Development Report (Trial) (Effective from May 1, 2024)*, *Appendix C2 - Environmental, Social and Governance Reporting Guide to the Listing Rules of the Hong Kong Stock Exchange (Effective on December 31, 2023)*, *ESG Indicator System for Shanghai State-controlled Listed Companies (Version 1.0)* of Shanghai SASAC, by reference to the *Sustainability Reporting Standards (2021)* of the *Global Reporting Initiative (GRI)*, *International Financial Reporting Standard No. S1 – General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1)* and *International Financial Reporting Standard No. S2 – Climate-related Disclosures (IFRS S2)*, by reference to the *Guidelines for Disclosure of Environmental Information by Financial Institutions (JR/T 0227-2021)* issued by the People's Bank of China, *Sustainability Accounting Standards* issued by SASB (Sustainability Accounting Standards Board) in respect of industry standards on "Asset Management and Custody Activities" and "Investment Banking and Brokerage". This report has complied with the "mandatory disclosure" and "comply or explain" provisions set out in the *Environmental, Social and Governance Reporting Guide* of the Hong Kong Stock Exchange and made reference to the relevant requirements set out in "Part D: Climate-related Disclosures" of *Environmental, Social and Governance Reporting Code of the Hong Kong Stock Exchange (Effective from January 1, 2025)*.

2.3 Description of 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 consistent with the Company's financial statements.

2.4 Reporting Principles

The process of preparing this report complies with the reporting principles of the *Environmental, Social and Governance Reporting Guide* of the Hong Kong Stock Exchange and makes reference to the principles of the GRI Standards, IFRS S1 for disclosure of sustainability-related information, which are applied as follows:

Principle of materiality: Material issues related to its operations that are of concern to investors and other stakeholders have been identified by the Company as the focus of this report. The process and results of the analysis of material issues are set out in the "Stakeholder Engagement" and "Material Issues Analysis" section of this report. In addition, this report also focuses on environmental, social and corporate governance issues that may have a significant impact on investors and other related parties.

Principle of balance: The contents of this report give a picture of objective facts and disclose both positive and negative information about the Company in an unbiased manner.

Principle of quantification and consistency: This report discloses the key quantitative performance indicators and discloses historical data wherever possible. The statistics and disclosure of the same indicator in this report are consistent across reporting periods; if there is a change in the statistics and disclosure, it will be fully explained in the notes to the report, to enable stakeholders to conduct meaningful analysis and assess the development trend of the Company's sustainable development performance.

Principle of timeliness: This is an annual report. The Company endeavors to publish the report as early as possible after the end of the reporting year to provide timely information for decision-making by stakeholders.

Principle of accuracy: The information in this report is as accurate as possible. The caliber of data, basis of calculation and assumptions have been stated in the measurement of quantitative information to ensure that the margin of error of the calculation will not have a misleading effect on the users of information. The Board of Directors guarantees that the information stated in this report does not contain any false representation, misleading statement or material omission.

Principle of clarity: This report will be published in Chinese and English. Tables, model diagrams and other information are included as a supplement to the text in this report to facilitate better understanding of the text by stakeholders. For the purpose of faster access to information by stakeholders, this report provides a table of contents and a benchmarking index table of ESG standards.

Principle of completeness: The scope of disclosures in this report is consistent with that of the Company's consolidated financial statements. Unless otherwise stated, the statistical calibers of data shown in the tables are consistent with the Company's combined financial statements.

Principle of Verifiability: The cases and data in this report derive from the original records or financial reports of the Company's actual operation. The Company adopts ESG information management system to manage the quantitative ESG performance in the past years, and the source of the disclosed data and the calculation process can be traced back, which could be used to support the inspection of external assurance.

2.5 Access

This report is available in electronic format at the following websites:

- Guotai Junan (<http://www.gtja.com>)
- CNINFO (<http://www.cninfo.com.cn/new/index>)
- Shanghai Stock Exchange (<http://www.sse.com.cn>)
- HKEX (<http://www.hkexnews.hk>)



►► 03 Overview of Sustainable Development

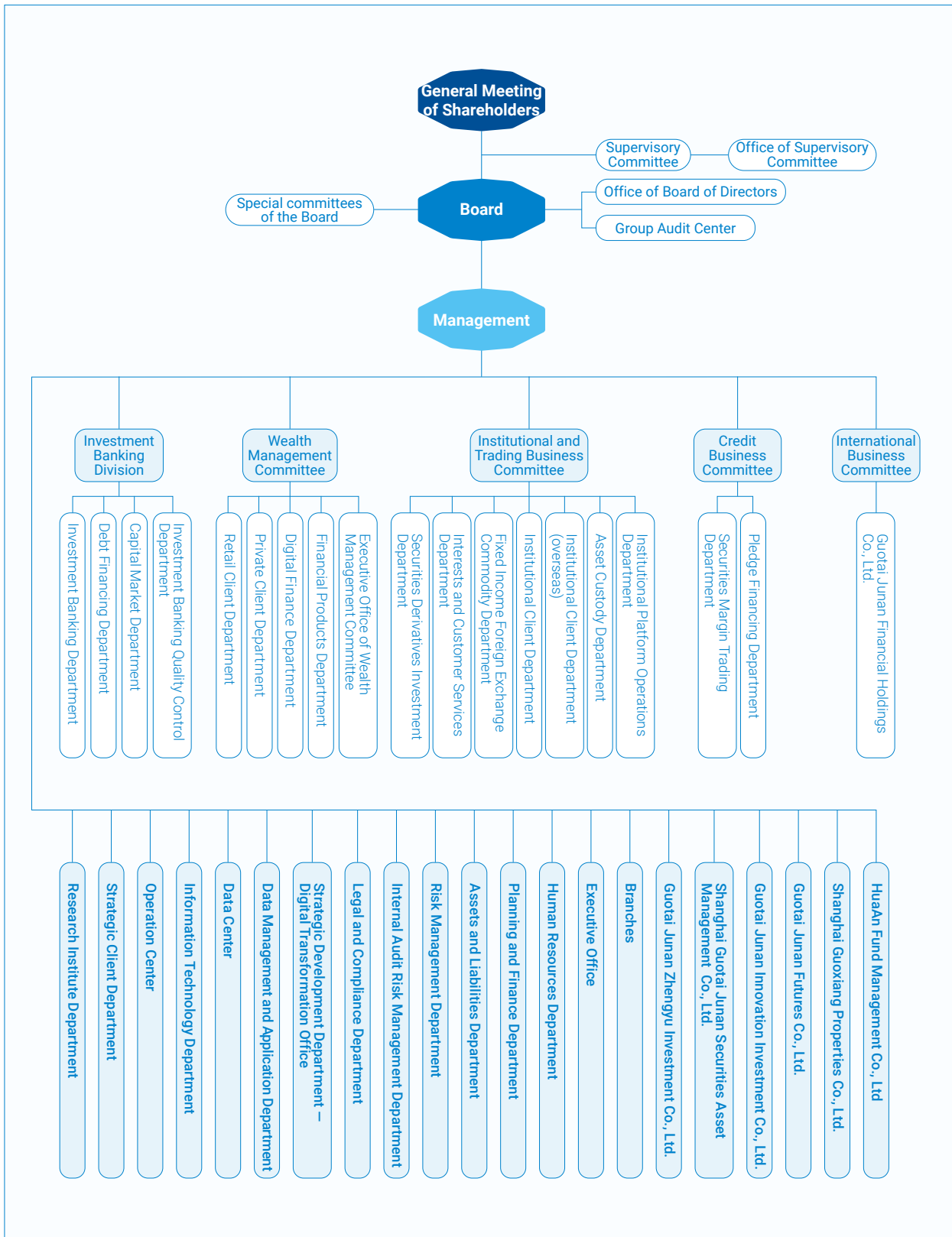
3.1 About Guotai Junan

Guotai Junan Securities Co., Ltd. is a comprehensive securities company formed and established, with approval of the China Securities Regulatory Commission, on August 18, 1999 by way of a new merger and share capital increase of the former Guotai Securities and the former Junan Securities, which were established in 1992. The Company was listed on the Shanghai Stock Exchange (stock code: 601211) on June 26, 2015 and was listed on the Hong Kong Stock Exchange (stock code: 02611) on April 11, 2017, thus became a listed securities company with A shares and H shares, with Shanghai State-owned Assets Management Co., Ltd. as the controlling shareholder and Shanghai International Group Co., Ltd. as the de facto controller.

Over years of development, Guotai Junan has formed a comprehensive financial service system covering multiple business areas, including securities and futures brokerage, investment banking, proprietary trading, equity and FICC trading, credit, asset management, public fund management, private equity investment, alternative investment, and international business, making strides towards an internationally competitive and market-leading investment bank.

Guotai Junan directly controls 6 domestic subsidiaries; it has a total of 37 branch offices, 346 securities branches and 27 futures branch offices in China; it directly controls Guotai Junan Financial Holdings, and indirectly controls Guotai Junan International (1788.HK), with overseas institutions in Hong Kong, China, Macau, China, the United States, the United Kingdom, Singapore, Vietnam and other regions.




Chart 3-1 Organization Structure Chart of Guotai Junan






3.2 Stakeholder Engagement

Based on its business development strategy and operational characteristics, Guotai Junan actively expands communication channels with stakeholders in all aspects of its daily operations. It has identified key stakeholders such as shareholders and creditors, customers, employees, suppliers and partners, and social and environmental parties, governmental and regulatory authorities, and established a normalized communication mechanism with stakeholders to listen to and respond to their expectations and demands. The channels through which the Company communicates with stakeholders mainly include announcements published by the Company as a listed company on the information disclosure platform designated by stock exchanges, as well as channels such as the Company's official website and WeChat Official Account; and internal channels include employee mailboxes, employee representative meetings and the President's mailbox. Means of communication with key stakeholders includes online and offline, including but not limited to questionnaires and surveys on stakeholders' views at least once every two years, hosting service for government authorities, visits to regulatory bodies, research of peer enterprises, organization of and participation in industrial exchanges, etc., which help the Company to understand the expectations and concerns of stakeholders in a timely manner, and provide a basis for identifying and analyzing key issues of the Company.

Table 3-1 Issues of Concerns of Stakeholders and Methods of Communication and Response

Key stakeholders	Major issues of concerns and the corresponding sections of the report	Methods of communication and response
 Shareholders and creditors	<ul style="list-style-type: none"> • 5.1 Serving the real economy • 5.2 Carbon finance • 5.3 Sustainable investment • 5.4 Sustainable financing • 8.1 Corporate governance • 8.4 Risk management • 8.5 Compliance management 	<ul style="list-style-type: none"> • Conducting investment and financing business • Conducting sustainable financing business • General meetings • Regular information disclosure • Conference for results announcement • e-Interaction Platform of the Shanghai Stock Exchange (SSE) • Company's official website • Receiving research of investors
 Customers	<ul style="list-style-type: none"> • 5.1 Serving the real economy • 5.2 Carbon finance • 5.3 Sustainable investment • 5.4 Sustainable financing • 7.3 Innovation Driving • 7.5 Products and Services Quality • 7.6 Investor Education • 7.7 Data Security and Customer Privacy Protection 	<ul style="list-style-type: none"> • Conducting investment and financing business • Conducting sustainable financing business • 95521 customer service hotline • Customer consultancy and complaint • Customer satisfaction surveys • Guotai Junan Jun Hong APP • Guotai Junan Daohe APP • Investor education activities
 Employees	<ul style="list-style-type: none"> • 7.8 Human Capital Development • 8.3 Cultural Construction • 8.5 Compliance Management • 8.6 Business Ethics 	<ul style="list-style-type: none"> • Labor union and employee representative meetings • Multi-level employee training system • Employee symposiums • Employee satisfaction surveys • President's mailbox • "Practice+" pioneer services hotline and mailbox

Key stakeholders	Major issues of concerns and the corresponding sections of the report	Methods of communication and response
 Suppliers and partners	<ul style="list-style-type: none"> • 7.4 Sustainable Supply Chain • 8.5 Compliance Management • 8.6 Business Ethics 	<ul style="list-style-type: none"> • Daily communication and cooperation • Bidding activities • Access and management system for suppliers
 Social and environmental parties	<ul style="list-style-type: none"> • 6.1 Climate Response • 6.2 Energy Utilization • 6.3 Water Resources Utilization • 6.4 Waste Treatment • 6.5 Pollutants Emission • 7.1 Social Contribution • 7.2 Rural Revitalization 	<ul style="list-style-type: none"> • Releasing "dual carbon" action plan • Strengthening green operation • Constructing green data center • Conducting public welfare charity and rural revitalization activities • Conducting employee volunteer activities
 Governmental and regulatory authorities	<ul style="list-style-type: none"> • 5.1 Serving the real economy • 5.2 Carbon finance • 5.3 Sustainable investment • 5.4 Sustainable financing • 6.1 Climate Response • 7.1 Social Contribution • 7.2 Rural Revitalization • 8.2 Party Building • 8.3 Cultural Construction • 8.4 Risk Management • 8.5 Compliance Management • 8.6 Business Ethics • 8.7 Data Governance 	<ul style="list-style-type: none"> • Conducting investment and financing business • Conducting sustainable financing business • Taking inspection, research and surveys • Communication and reporting • Regular information disclosure • Investment and financing business practices • Releasing "dual carbon" action plan • Conducting public welfare charity and rural revitalization activities • Conducting employee volunteer activities • Conducting Party building activities • Participating in assessment of cultural construction of the industry • Conducting trainings on compliance and risk control

3.3 Analysis of Material Issues

Every year, Guotai Junan systematically reviews and updates the topics of importance on company management in order to better respond to the demands and expectations of stakeholders. The Company understands the issues of concerns of stakeholders through various communication channels, carries out due diligence and assessment, screening and updating of materiality issues based on a combination of policy analysis, industry benchmarks, expert judgement and other methods, and identifies material issues to the Company's operation and development as well as to stakeholders for focused disclosure in the report.

In 2024, the Shanghai Stock Exchange issued and implemented the Shanghai Stock Exchange Guidelines No. 14 for Self-Regulatory Supervision of Listed Companies – Sustainable Development Report (Trial), which provided establishment of and information disclosure on ESG issues. For the satisfaction of related requirements of regulatory authorities and rating institutions, Guotai Junan has integrated the 51 material issues in 2023, with additional topic of "Pollutants Emission" under Environmental Issues, "Protection of Investor Rights and Interests" under "Products and Services

Quality", "Tax Management" under "Compliance Management", and "Anti-Unfair Competition" under "Business Ethics", which eventually amounted to 24 material issues under 4 categories in 2024, specifically include 4 sustainable issues, 5 environmental issues, 8 social issues and 7 governance issues.

Table 3-2 Material Issue Analysis Process

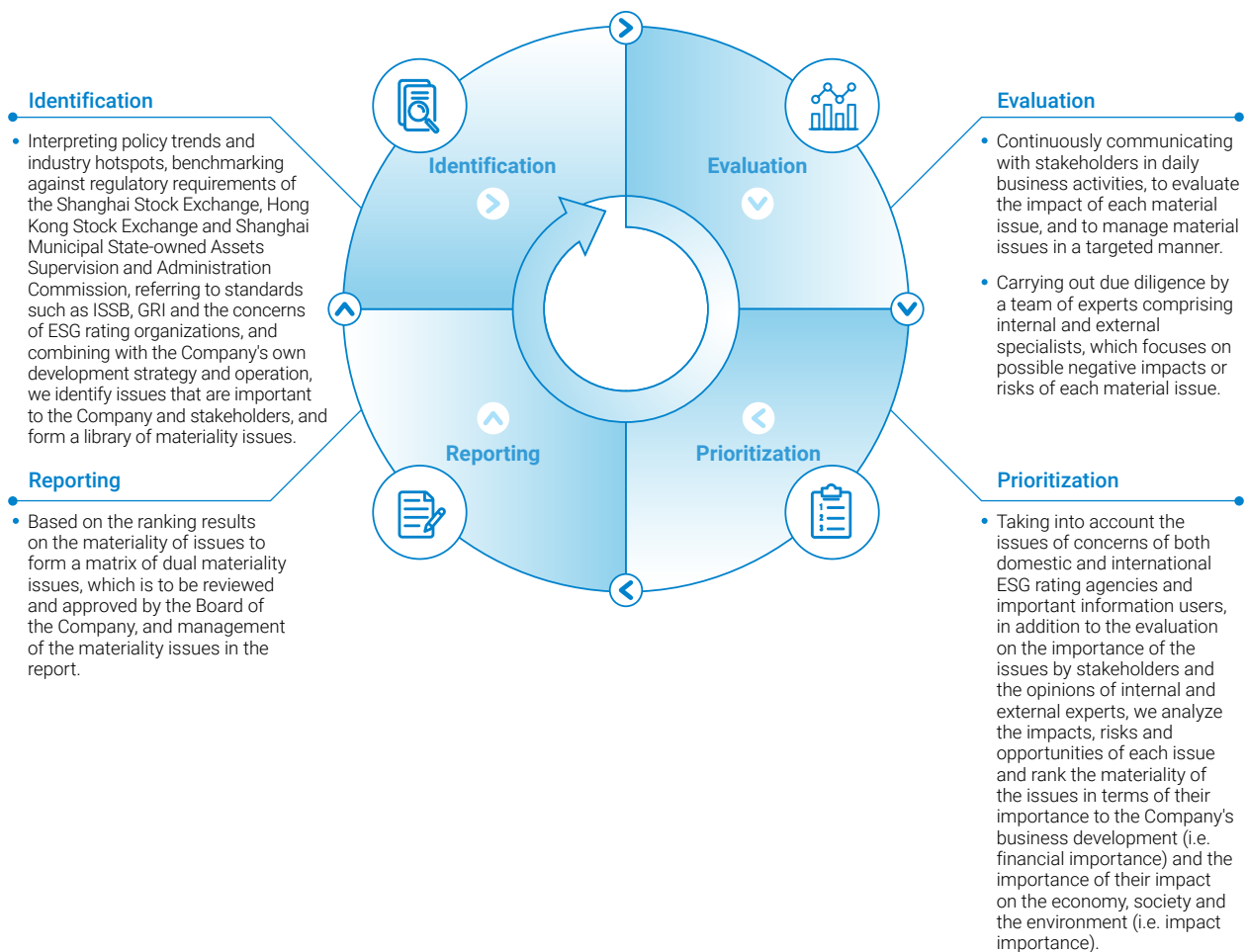


Chart 3-2 Matrix of Material Issues

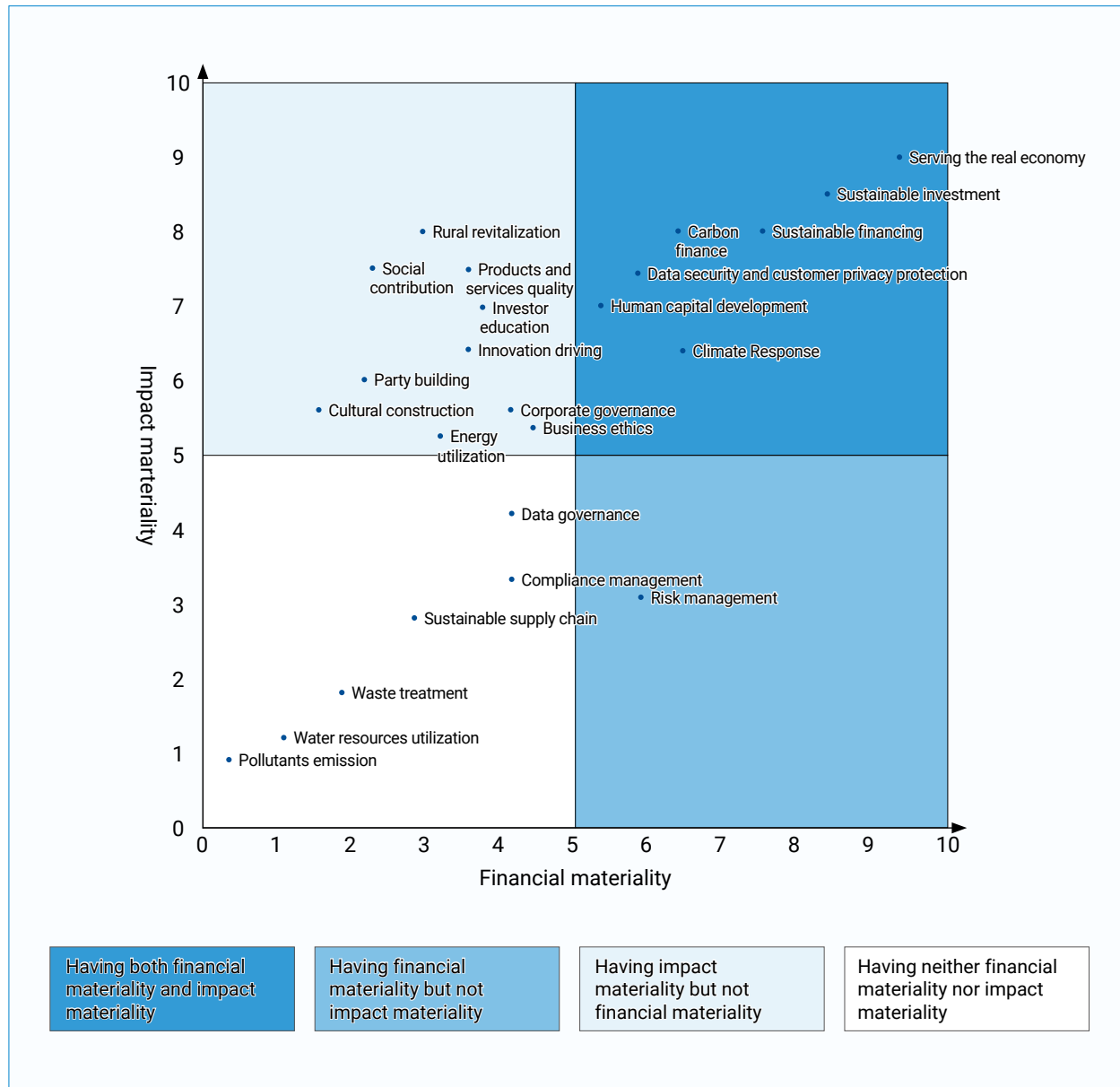


Table 3-3 Changes in Material Issues

Category	Material issues in 2024	Changes of issues	Material issues in 2023
Sustainable Finance	Serving the real economy	Integrated	Serving the real economy
			Serving emerging industries
			Serving small and medium-sized enterprises
			Serving private enterprises
	Carbon finance	No change	Carbon finance
	Sustainable investment	Integrated	ESG investment
			ESG asset custody
			ESG research
	Sustainable financing	Change of name	ESG financing
Environmental Issues	Climate response	Change of name	Climate risk management
	Energy utilization	Integrated	Energy and carbon emission management
			Green data center
	Water resources utilization	Change of name	Water resources management
	Waste treatment	Integrated	Waste management
			Paperless office
	Pollutants emission	Addition of issue	--
Social Issues	Social contribution	Integrated	Public welfare brand construction
			Serving social causes
			Serving ecological conservation
	Rural revitalization	Change of name	Rural revitalization
	Innovation driving	Change of name	Digital transformation
	Sustainable supply chain	No change	Sustainable supply chain
	Products and services quality	Addition of "protection of investors' rights and interests" on an integration basis	Optimizing product and service quality
			Customer complaint management
			Responsible marketing
	Investor education	No change	Investor education
	Data security and customer privacy protection	Change of name	Data security and privacy protection

Category	Material issues in 2024	Changes of issues	Material issues in 2023
Social Issues	Human capital development	Integrated	Employee recruitment and employment
			Employee compensation and benefits
			Employee communication
			Democratic management
			Employee care and assistance
			Employee health and safety
			Employee training
			Employee development and promotion
Governance Issues	Corporate governance	Integrated	Independence and effectiveness of the Board of Directors
			Board leadership and diversity
			Independence and effectiveness of the Supervisory Committee
			Protection of shareholders and creditors' rights and interests
			Information disclosure
			Investor relations management
	Party building	No change	Party building
	Cultural construction	No change	Cultural construction
	Risk management	Integrated	Risk management
			ESG Risk management
	Compliance management	Addition of "taxation management" on an integration basis	Compliance management
			Anti-money laundering
			Protection of intellectual property
			Audit supervision
			Reporting and protection of whistleblowers
	Business ethics	Addition of "anti-unfair competition" on an integration basis	Anti-corruption
	Data governance	Change of name	Digitalization of assets

3.4 Performance Overview of Sustainable Development

In 2024, Guotai Junan actively implemented the spirit of the Third Plenary Session of the 20th CPC Central Committee, the Central Financial Work Conference, the Central Economic Work Conference and the work requirements of the Municipal Party Committee and Municipal Government of Shanghai, and systematically promoted ESG and sustainable development, significantly improved operating results and operating quality and efficiency, and compliance risk control and company operations have been orderly stable, achieving the highest AAA level among global peers in the international mainstream MSCI ESG rating, and the highest AA level in the industry in the domestic mainstream Wind ESG rating. The Company was listed in the "State-owned Enterprises Social Responsibility Pioneer 100 Index" and the "ESG Pioneer 100 Index of Listed SOE" by the State-owned Assets Supervision and Administration Commission of the State Council, as well as the "Financial Pioneer 30 of Chinese ESG Listed Companies" and "Yangtze River Delta Pioneer 50 of Chinese ESG Listed Companies" by China Media Group, and was awarded the "Golden Bull Award for ESG in the Securities Industry" by China Securities Journal, the "Jinding Award of ESG Pioneers Among Securities Company of the Year" by National Business Daily, the "ESG Finance Award of the Year of Green Water Award" by Cailianshe and "Green Securities Cases" by International Financial News.

The Company has established a robust structure of ESG and sustainable development, with a Board Strategy and ESG Committee for the Board of Directors, an ESG and Sustainable Development Committee at the operation level, four cross-departmental groups at the executive level, namely, investment transactions group, green financing group, risk management group, and green operation and social welfare group, and clear ESG responsibilities of each department and subsidiary. The Company has made ESG and sustainable development an important part of its overall strategy and formulated a special strategic plan. On this basis, the Company has adopted a series of management measures in various aspects, such as clarifying the responsibilities of ESG issues management, compiling guidelines for ESG information disclosure, formulating sustainable financial statistical standards, developing an ESG information management system, and setting up an ESG assessment and incentive mechanism, so as to deploy and advance comprehensively the work on ESG and sustainable development in all fields. In order to enhance ESG awareness and capabilities in businesses of the Company's employees, the Company has formulated and implemented a talent training programme on ESG and sustainable development, with a total of 2,362 participants and a total of 9,422 hours of training in 2024.

In 2024, Guotai Junan became an 'ISSB Sustainability Disclosure Standards Pioneer Partner' initiated by the ISSB (International Sustainability Standards Board), and actively participated in the construction and practice process of international sustainability disclosure standards. Based on the latest requirements of stock exchanges and rating agencies, as well as the focuses of other stakeholders, the Company further improved the materiality issue analysis process, and formed a total of 24 material issues under 4 major categories through integration on the basis of the list of issues in the past.

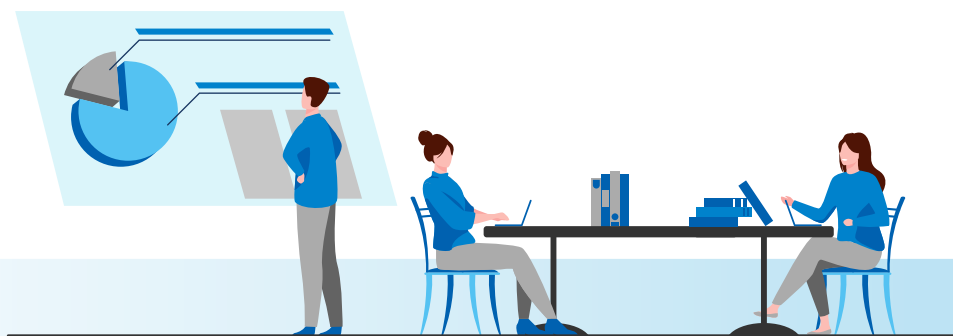


Table 3-4 Performance on Sustainable Finance Issues Management in 2024

Sustainable Finance Issues	Major Performance
Serving the Real Economy	<ul style="list-style-type: none"> • Technological finance: the Company assisted 19 technological innovation enterprises in equity financing of nearly RMB 20 billion; underwrote 174 technological innovation bonds with a total underwriting amount of RMB 63.533 billion, ranking among the top three in the industry in terms of underwriting scale; constructed a "Fund of Funds + Industry Fund" of technology innovation themed fund matrix exceeding RMB30 billion, and participated in the investment in and establishment of fund of funds of the three major pioneering industries in Shanghai, with direct investment in over 150 technological innovation enterprises. The fund of funds has an accumulated investment in 52 sub-funds, involving and facilitating development of more than 1,000 technological innovation enterprises. • Inclusive finance: the Company supported micro, small and medium-sized enterprises by recommending 22 NEEQ-listed projects, ranking second in the industry; strengthened the financial services for private enterprises. Among 24 equity financing (including convertible bonds) projects on the stock exchanges, 17 were for private enterprises, and among 22 listings on the NEEQ (including private placements), 21 were for private enterprises; increased the accessibility and convenience of its wealth management services, with its internet branch officially launched and acquired 495 thousand new customers, the number of Junhong APP users exceeded 41 million, and the average number of monthly active users ranked top two in the industry, and the Company was selected as the first batch of pilot securities companies under the "Cross-boundary WMC". • Pension finance: actively promoted personal pension business and supported 18 banks with linked personal pension accounts, ranking first in the industry. It has connected with 55 individual pension fund managers, and its agency-sold individual pension fund products have a shelf rate that ranks first in the industry; HuaAn Fund's has launched 10 pension targeted funds products with a total size of over RMB1.6 billion. • Serving Shanghai: the Company has raised over RMB 560 billion for over a hundred Shanghai enterprises, of which, the bond underwriting amount is nearly RMB 190 billion, ranking first in the industry; since the establishment of the Sci-Tech Innovation Board and Growth Enterprise Market, the Company assisted a total of 48 enterprises in their debut on the Sci-Tech Innovation Board, and ranked first in the industry in terms of the number of IPOs and their scale.
Carbon Finance	<ul style="list-style-type: none"> • The Company has built a carbon finance customer service system, strengthened internal coordination of the Group and cooperation with external institutions, and provided customers with comprehensive carbon finance customer-to-customer business solutions. • The transaction scale of carbon assets increased significantly, providing transaction service in respect of pledge and disposal of carbon assets for China Construction Bank, Industrial and Commercial Bank of China, Hua Xia Bank, and ESG management consulting and report preparation services for customers. • Guotai Junan Securities (UK) Co., Ltd. and Guotai Junan Securities Investment (Hong Kong) Co., Ltd. have successively launched European Union Allowances (EUA) futures trading and TRS (Return Swap) trading linked to EUA, promoting the Group's cross-border carbon finance service capability to a new level. • As of the end of 2024, the Company has participated in the carbon trading market with a cumulative trading volume of approximately 88 million tons in the past, of which the trading volume in the carbon trading market was approximately 13 million tons in 2024, maintaining a leading position in the industry.
Sustainable Investment	<ul style="list-style-type: none"> • The Company has continuously strengthened the building of ESG investment and research team and established a relatively well-established ESG investment and research system targeting various assets such as fixed income and equity, and comprehensively applied ESG investment strategies such as negative screening, positive screening, normative screening, ESG integration, thematic investment, impact investing, and active ownership. • In 2024, the Company incorporated ESG factors into the investment decision-making process, with the investment scale amounting to RMB1,020.907 billion, accounting for 82.26% of the total investment scale; introduced 787 ESG public funds for distribution, with retained scale of ESG public funds reaching RMB8.6 billion. As of the end of 2024, the Company has issued an accumulated amount of 12 thematic public funds with a total size of RMB10.552 billion; 13 subsisting green equity projects with an investment scale of RMB454 million; green bond investment scale of RMB18.802 billion, an increase of 19.28% as compared with 2023; green asset custody outsourcing scale of RMB9.973 billion, an increase of 173.91% as compared with 2023.
Sustainable Financing	<ul style="list-style-type: none"> • Leveraging on its advantages as an integrated service platform, the Company has established a comprehensive sustainable financing system, which covers investment banking business lines such as stock issuance, financial consulting on mergers and acquisitions and restructuring, bond issuance and asset securitization, and credit business lines such as stock pledge, securities margin trading. • The Company contributed to the successful conclusion of Zhiji Automobile's series B financing of RMB9.4 billion; assisted Grandtop Yongxing Group Co., Ltd., a subsidiary of Guangzhou Environmental Investment Group in the listing on the Main Board of the Shanghai Stock Exchange; helped China Construction Bank in the successful issuance of green financial bonds of RMB20 billion, and supported BYD Auto Finance in the issuance of green auto loan ABS of RMB6.5 billion. • In 2024, the Company completed 17 ESG equity financing projects with an underwriting scale of RMB 8.577 billion, and underwrote 85 green bonds with an underwriting scale of RMB 29.636 billion, ranking among the top three in the industry; underwrote 21 ESG pledge financing projects with a total financing scale of RMB3.352 billion; issued 5 ESG theme-related ABS products with a total scale of RMB 4.791 billion as a scheme administrator, ranking first in the market in terms of historical trading volume; participated in 2 green infrastructure public REITs projects as a fund manager.

Table 3-5 Performance on Environmental Issues Management in 2024

Environmental Issues	Major Performance
Climate Response	<ul style="list-style-type: none"> The Company is committed to comprehensively managing GHG emissions (Scope 1, 2 and 3) by systematically investigating various sources of GHG emissions and achieving normal and online GHG emissions statistics of the Group through self-developed ESG information management system. The Company formulated and implemented the <i>Work Plan for Energy Conservation and Carbon Reduction of Guotai Junan</i> for Deepening Green Operation, included green operation into the Company's administrative management work evaluation system in 2024, independently developed and constructed the carbon point system of Guotai Junan, "Carbon Master", and comprehensively implemented the refined management of energy consumption of office premises, and promoted the establishment of industry standards for securities "green business outlets" in Shanghai. When conducting investment and financing business, the Company systematically considers the physical risks and transition risks related to climate change, assesses the possible impact of climate change on the normal operation of the Company, customers and investment targets, and formulates risk response measures in advance. In 2024, the GHG emissions (Scope 1 + Scope 2) of Guotai Junan Group was 45,158.45 tons CO₂-eq, representing a decrease of 3.94% from 2023; the GHG emissions per unit area (Scope 1 + Scope 2) was 93.06 kg CO₂-eq/m², a decrease of 8.04% from 2023. Guotai Junan International successfully offset its GHG emissions in 2023 by subscribing to the carbon sink assets of VCS (Verified Carbon Standard managed by Verra) forestry project, achieving "operational carbon neutrality" for the second consecutive year.
Energy Utilization	<ul style="list-style-type: none"> The Company comprehensively implemented the refined management of energy consumption of office premises and carried out in-depth energy-saving transformation of data centers. The energy consumption per unit of floor area of the department of the Company's headquarter in Shanghai and the branches in Shanghai have met the energy consumption control target set by the Development and Reform Commission of Jing'an District, Shanghai where the Company's headquarter is located. In 2024, the Company's own data centers saved energy by 7.25 million kilowatt-hours, and the PUE value dropped to 1.71 for five consecutive years.
Water Resources Utilization	<ul style="list-style-type: none"> The Company's water consumption is mainly for daily office operation, while municipal water is the main source of water for the Company. The Company does not get water from the arid and water-deficient areas or protected water resources areas and will not cause negative impact on the water use of local residents and the ecological environment. In 2024, per capita water consumption was 13.92 cu.m./employee, showed a downward trend year by year since 2021.
Waste Treatment	<ul style="list-style-type: none"> The Company has continued to improve its waste management system. Non-hazardous wastes such as waste paper, household waste and kitchen waste are collected and disposed of by property management units, toner cartridges are collected and disposed of by manufacturers, and hazardous wastes such as electronic wastes are entrusted to those with the qualification to handle recycling of electronic wastes. The Company has never been penalized or complained for waste disposal.
Pollutants Emission	<ul style="list-style-type: none"> Pollutants from the Company are mainly domestic wastewater generated from office buildings, and other pollutants which are not directly contributing to air pollution, soil pollution and noise pollution. The Company entrusted a qualified third party to conduct testing on wastewater, exhaust gas and noise of the headquarters office, all of which meet the national standards. The Company has never been penalized or complained for environmental protection related issues.

Table 3-6 Social Issues Management Performance in 2024

Social Issues	Key Performance
Social contributions	<ul style="list-style-type: none"> Since the establishment of the Welfare Foundation in 2012, the Company and its employees have donated more than RMB0.32 billion to the Welfare Foundation, directly benefiting more than 1.38 million people and helping five national-level poverty-stricken counties to lift themselves out of poverty. In recent years, the company has won the 12th "China Charity Award" and the 1st and 2nd "Shanghai Charity Award". In 2024, the amount of social welfare investment is RMB36.6109 million and 1,355 employees volunteered.
Rural revitalization	<ul style="list-style-type: none"> The Company deepened its pairing and assistance work, actively established and improved the long-term assistance mechanism, strengthened assistance responsibility, innovated assistance methods, increased assistance efforts, implemented detailed assistance measures, and contributed to the construction of local education, industry, medical and livelihood projects. In 2024, the amount of rural revitalization investment is RMB 24.5411 million, benefiting 128,000 people.
Innovation driving	<ul style="list-style-type: none"> The Company continues to promote comprehensive digital transformation characterized by "online", "data" and "intelligence", and systematically builds fourteen platforms in four categories: customer service, business capability, operation management and digital technology, independently develop a new generation of decentralized low-latency core trading system on information innovation and promoted the intelligent application of large-scale language model. In recent years, the Company has been ranked first in the financial category in the digital transformation assessment by the Shanghai SASAC for the city's 43 municipal supervised enterprises, and reported to the SASAC of the State Council as the only case of digitally transformed financial SOEs belonging to the Shanghai municipality. The Company is the only securities company in domestic that holds three major international standards for IT management, namely CMMI5, ISO20000 and ISO27001, and among the first batch to pass the data exit safety assessment by the Cyberspace Administration of China. In 2024, the Company invested RMB 2.108 billion in Fintech, accounting for 8.93% of operating income, and the proportion of Fintech talents was 10.89%. The Company has newly been approved 1 project of Shanghai EITC to promote high-quality development of industry, 2 projects of Shanghai SASAC for innovation and energy level, 5 awards of People's Bank of China for Fintech Development, and 13 excellent research project of industry. As of the end of 2024, the Company has been granted 32 patents for Fintech inventions and 138 Fintech software copyrights.
Sustainable supply chain	<ul style="list-style-type: none"> The Company has set up the Procurement Management Committee and the Centralized Procurement Audit Working Group, and established the Procurement Management Center in the Planning and Finance Department to further consolidate the procurement audit management function and enhance the efficiency of procurement work. The Company urges its suppliers to practice ESG concepts and requires them to formulate anti-corruption related systems and provide products or services that comply with national and industry standards and green procurement standards.
Products and service quality	<ul style="list-style-type: none"> The Company has always adhered to the "customer-centric principle" and continuously improved the three major customer service systems for retail, institutional and corporate customers, and constantly enhanced the level of customer service and response efficiency. In 2024, the Company was awarded "Golden Bull Securities Company", "Junding Award for All-round Investment Bank in China Securities Industry", "New Fortune Best Local Investment Bank", "Wind Investment Bank of the Year" and other important awards. The Company conscientiously protects the rights and interests of investors, won the national championship in the Investor Rights and Interests Knowledge Contest <i>Shareholders Are Coming</i>, and has been awarded the titles of "Outstanding Investor Liaison Point" and "Outstanding Investor Liaison Officer" issued by China Securities and Small and Medium-sized Investor Service Center for many times. "It has also won the titles of "Outstanding Branch for Securities Market Investigation" and "Outstanding Branch Head for Securities Market Investigation" for the year 2023 by the China Securities Investors Protection Fund Corporation (CSIPF), "Excellent Investigator of Securities Market Investigation" and other honors. The Company has set up a specialized investor rights protection department under the Legal Compliance Department, continued to do a good job in managing customer complaints, implemented the three principles of the primary accountability system, the time-limit closure system and the service commitment system, and continued to maintain a 100% complaint handling ratio. The Company has established a sound system for investor suitability management organization and set up a joint working mechanism, and there have been no substantial violations in the management of investor suitability and the management of marketing and publicity practices
Investor education	<ul style="list-style-type: none"> The Company released more than 1,300 original investment education products, with more than 244 million reads and clicks; and organized 5,262 investment education activities, with more than 11.55 million participants, including 494 financial education activities for young people, covering more than 117,500 people, which strongly promoted the high-quality development of the Company's investor education work. The Company's national investment education base has received excellent ratings from the CSRC for six consecutive years, and the joint assessment of investor education of the Company by the China Securities Association, the Shanghai Stock Exchange, the Shenzhen Stock Exchange and the National Stock Exchange for the year 2023 has received a Class A rating.

Social Issues	Key Performance
Data security and customer privacy protection	<ul style="list-style-type: none"> The Company's Information Technology Department, Data Center, Data Management and Application Department, and Asset Custody Department have been certified to the ISO27001 Information Security Management System, which covers all of the Company's data centers and server rooms and applies to the vast majority of the Company's business. The Company passed the Data Security Capability Maturity Model (DSMM) Level 3 assessment and obtained the certification, becoming the first company in the industry to obtain this certification and the highest level currently awarded to a domestic securities company in this field, which signifies that the Company has reached an industry-leading level in data security management and protection. The Company has taken various measures to protect the privacy of its customers, and has received the industry's highest star rating in the Personal Information Impact Assessment (PIA), demonstrating that the Company provides the industry's highest level of security for personal information, in addition to meeting the basic requirements of laws and regulations for the protection of personal information.
Human capital development	<ul style="list-style-type: none"> The Company has been awarded the "Excellent Employer Award" by The Chinese University of Hong Kong (Shenzhen), "2024 Model Employer for Talent Attraction and Retention" by 51job.com, "2024 Most Favored School Recruitment Employer for Tech Talents" and "2024 Leading Employer in AI Recruitment" by Nowcoder. The Company continuously builds a multi-level talent cultivation and training system, focusing on investment consultants, high-quality marketing talents, middle and junior management personnel, internationalized talents, digital talents, new employees, internal lecturers, etc., and constantly increases the training of professional talents. In 2024, the Company carried out a total of 1,128,000 hours of offline and online training for its employees, of which 802,000 hours were online training and 326,000 hours were offline face-to-face training. As of the end of 2024, the Company had developed and introduced a total of 42,138 online and offline courses. As of the end of 2024, the Company had a total of 14,523 employees, of which 45.11% were female, an increase of 0.33 percentage points from 2023, and 45.48% had master's and doctoral degrees, an increase of 2.65 percentage points from 2023.

Table 3-7 Management Performance on Governance Issues in 2024

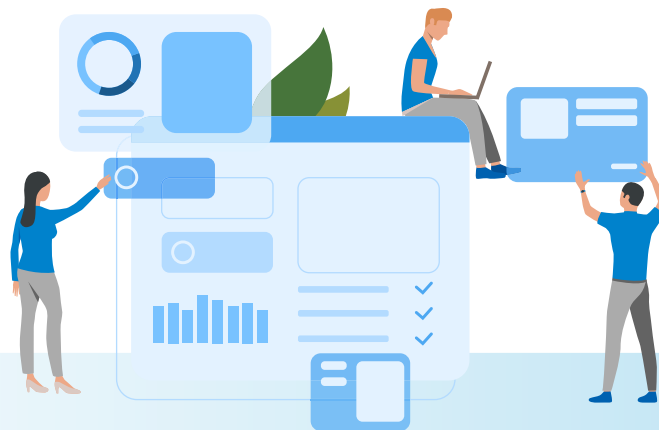
Governance Issues	Key Performance
Corporate governance	<ul style="list-style-type: none"> As a company listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange, we have strictly complied with the requirements of laws, regulations and regulatory documents in the domestic and overseas listing places, operated in accordance with the regulatory requirements and constantly perfected the corporate governance structure and systems to improve our corporate governance. In 2024, the Company continued to maintain the international credit ratings including BBB+ from S&P and Baa1 from Moody's, both of which are the highest international credit rating standards in the domestic industry. The Company was rated A by Shanghai Stock Exchange in terms of information disclosure work of listed companies from 2023 to 2024.
Party building	<ul style="list-style-type: none"> The Company has always adhered to the leadership of the Party, kept the political direction, integrated the Party construction into the operation and management, adhered to the leadership system of "two-way entry and cross-employment", optimized the decision-making system such as the <i>Implementing Rules for "pre-processed"</i>, and further clarified the scope of deliberative decisions and decision-making on "Three Importance and One Large", the boundaries of authority and responsibility, and the decision-making procedures, etc., and was awarded the title of "Model Enterprise of Corporate Governance of State-owned Enterprises" by the State-owned Assets Supervision and Administration Commission of the State Council. The Company promotes the comprehensive progress of grassroots party organizations, grasps the "full coverage" of the organization system and party work, builds a good "reservoir" of party cadres, puts the "quality gate" of the development of party members, and grasps the "wind vane" of typical leadership, and was awarded the "Innovative Practice Base of Grassroots Party Building" in Shanghai SASAC system.
Cultural construction	<ul style="list-style-type: none"> The Company promotes the implementation of financial culture with Chinese characteristics and the culture of the securities industry in its corporate culture, actively practicing the value concept system with "serving the country with finance" as the core, doing "five articles" with cultural empowerment, and striving to be the main force to serve the real economy and the ballast stone to maintain financial stability. In 2024, the Company was awarded Class A, Grade A A by the China Securities Association 2023 for its assessment of the cultural construction practices of securities companies, receiving the highest rating in the industry's assessment of cultural construction practices for the fourth consecutive year.

Governance Issues	Key Performance
Risk management	<ul style="list-style-type: none"> The Company has always adhered to the values of sound management, and actively practiced the concept that "risk management creates value and future development relies on compliant operations". The Company continues to improve a comprehensive risk management system, resolutely upholds to the bottom line of no major risk events, and builds risk management the Company's core competitiveness, which escorts and promotes the high-quality development of the Company's businesses. The Company actively promotes the integration of ESG concepts into its comprehensive risk management system, clarifies the ESG risk management responsibilities of risk management organizations at all levels, including the Board, operation and management, risk management department, other business units and branches and subsidiaries, formulates ESG risk management systems and processes, strengthens ESG risk monitoring and early warning, and develops an ESG risk management system. The Company continues to enhance its vertical and group-wide comprehensive risk management system, firmly safeguarding the bottom line of preventing major risks from occurring. In 2024, the Company did not incur any major risk events, and continued to maintain a high evaluation result in the classification evaluation of securities companies by the China Securities Regulatory Commission, and has been continuously included in the white list of securities companies of CSRC.
Compliance Management	<ul style="list-style-type: none"> The Company has improved its compliance management organization system and conducted 519 compliance training sessions in 2024, covering 73,826 people, and was selected as a contact point for grassroots legislation of the Standing Committee of the Shanghai Municipal People's Congress. The Company has strictly implemented the anti-money laundering responsibilities of financial institutions, and has not been subject to any anti-money laundering related penalties by the regulatory authorities in 2024; it has completed a total of 221 anti-money laundering related auditing projects, and has conducted anti-money laundering publicity for investors 23 times, and anti-money laundering trainings for its employees 34 times with a total of 19,976 attendances. The Company attaches great importance to tax control and risk management and has been continuously recognized as a "Class A Tax Credit Enterprise" by the Shanghai Jing'an District Tax Bureau of the State Administration of Taxation. In 2024, the Company carried out more than 160 protection projects on intellectual property rights such as trademark, patent and copyright, including more than 50 for trademark application and copyright registration, 24 for software copyright registration and 76 for patent application; the Company continued to fight against counterfeiting and misappropriation of the Guotai Junan brand and trademark rights. In 2024, the Company implemented a total of 310 audit projects and carried out audits of all the Company's operations, and implemented account management for the list of audit rectification issues, and completed all the rectification work in the current year for the issues identified by the audits, except for some matters. The Company diligently manages the handling of complaints and reports, actively implements the whistleblower protection system.
Business Ethics	<ul style="list-style-type: none"> The Company pushed forward the implementation of the Company's professional integrity management work in 2024 and promoted the formation of "big supervision" synergy. The Company completed the compliance check of professional integrity management in 2023, implemented the closed loop of self-examination and self-correction of professional integrity and honesty management in 2023, and organized the self-examination and self-correction of professional integrity and honesty management in 2024. In 2024, there was no corruption lawsuit filed against the Company or its employees which was concluded. The Company carries out business operations in accordance with the principles of voluntariness, equality, fairness and good faith, consciously abides by the provisions on fair competition, establishes an effective risk control and management mechanism for unfair competition in the whole process of ex ante risk prevention, control and accountability, and has never been subjected to anti-unfair competition related penalties and litigation and complaint incidents.
Data Governance	<ul style="list-style-type: none"> The Company continuously improves the top-level design of data governance and the organizational guarantee system of data governance, continuously strengthens the Company's data governance capability, gives full play to the value of data asset elements, and empowers the Company's high-quality development. The Company completed the revamping of the Group Strategy, which fully covers all business units of the headquarters, subsidiaries and branches.

Table 3-8 Economic Performance and Social Contribution Indicators

Indicators	Unit	2022	2023	2024
Gross revenue	RMB	35,471,284,791	36,141,292,021	43,397,126,485
Net profit	RMB	11,622,803,584	9,885,417,208	13,548,760,246
Total assets	RMB	860,707,916,925	925,402,484,366	1,047,745,412,851
Total taxes	RMB	5,472,310,550	5,240,056,616	4,718,860,107
Salaries paid to employees	RMB	9,691,438,623	11,065,492,880	10,162,017,653
Interest on borrowings paid to the creditors	RMB	10,822,098,879	12,832,969,183	12,707,341,614
External donations and value created for other stakeholders	RMB	6,609,775,191	5,625,216,652	6,004,456,980
Including total expenses for external donations	RMB	40,571,739	46,099,996	42,010,724
Ending share capital	Share	8,906,672,636	8,904,610,816	8,903,730,620
Basic earnings per share	RMB	1.25	0.98	1.39
Social contribution value per share	RMB	4.96	5.01	5.29
Cash dividends	RMB 100 million	47.21	35.62	62.58
Net profit attributable to shareholders of listed company	RMB 100 million	115.09	93.74	130.24
The proportion of dividends to net profit	%	41.02	38.00	48.05

Note: Social contribution value per share = (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 value created for other stakeholders - other social costs caused by environmental pollution) / share capital of the Company at the end of the period.



3.5 ESG Rating and Awards

In 2024, MSCI ESG rating of Guotai Junan reached the highest AAA rating of the industry, and its Wind ESG rating also reached the industry's highest AA rating. Besides, Guotai Junan received significant awards from governmental authorities such as SASAC of the State Council, SASAC of Shanghai, and media and marketing organizations such as China Media Group and China Securities Journal.

Table 3-9 MSCI and Wind ESG Ratings in 2024



MSCI ESG Rating	AAA	Wind ESG Rating	AA
			
<ul style="list-style-type: none"> The MSCI ESG rating of Guotai Junan improved to AAA in 2024, reaching the highest rating among its peers in the world, and ranked as a leader among 120 global enterprises participated in the rating in the "Investment Banking and Brokerage Industry". The Company is positioned as industry-leading in six major issues, including corporate governance, corporate conduct, human capital development, responsible investment, privacy and data security, and financing that affects the environment. 		<ul style="list-style-type: none"> The Wind ESG rating of Guotai Junan improved to AA in 2024, reaching the highest rating in the "Investment Banking and Brokerage Industry" in China. The score of the Company in three aspects, namely environmental, social and governance, were higher than the industry average. 	

Table 3-10 Major ESG Awards obtained by Guotai Junan

No.	Honors and Awards	Issued by	Awarding Time
1	Admission to the Local State-owned Enterprises (SOE) Social Responsibility Pioneer 100 Index and the Local ESG SOE Social Responsibility Excellent Case of the Year of <i>Blue Book on Social Responsibility of State-owned Assets (SOA) and SOE (2022)</i>	SASAC of the State Council	December 2022
2	Admission to the State-owned Enterprises (SOE) Social Responsibility Pioneer 100 Index (2023) and the ESG Pioneer 100 Index of Listed SOE (2023) of <i>Blue Book on Social Responsibility of State-owned Assets (SOA) and SOE (2023)</i>	SASAC of the State Council	December 2023
3	Admission to the State-owned Enterprises (SOE) Social Responsibility Pioneer 100 Index (2024) and the ESG Pioneer 100 Index of Listed SOE (2024) of <i>Blue Book on Social Responsibility of State-owned Assets (SOA) and SOE (2024)</i>	SASAC of the State Council	November 2024
4	Demonstration State-owned Enterprise of Corporate Governance	SASAC of the State Council	February 2022
5	Top 10 Cases and Top 10 Reports of Social Responsibility Work of Shanghai State-owned Assets System in 2021	SASAC of Shanghai	March 2023
6	2022-2023 Social Responsibility (ESG) Top 10 Reports of Shanghai State-owned Assets System	SASAC of Shanghai	January 2024
7	2023-2024 Social Responsibility (ESG) Top 10 Cases of Shanghai State-owned Assets System	SASAC of Shanghai	June 2024
8	Admission to the Chinese ESG Pioneer 100 of Listed Companies	China Media Group	June 2023
9	Admission to the Financial Pioneer 30 of Chinese ESG Listed Companies	China Media Group	September 2023
10	Admission to the Financial Pioneer 30 of Chinese ESG Listed Companies (2024)	China Media Group	October 2024
11	Admission to the Yangtze River Delta Pioneer 50 of Chinese ESG Listed Companies (2024)	China Media Group	August 2024
12	Donation Enterprise Award of 12th China Charity Award	Ministry of Civil Affairs	September 2023
13	Donation Enterprise Award of Shanghai Charity Award in the first session	Shanghai Municipal Government	February 2023
14	The 2nd Shanghai Charity Awards for Charitable Projects and Charitable Trusts	Shanghai Municipal Government	February 2024
15	2024 Golden Bull Award for ESG of Securities Industry	China Securities Journal	November 2024
16	Jinding Award of ESG Pioneers Among Securities Company of the Year	National Business Daily	November 2024
17	Admission to Green Securities Cases of 3rd Green Finance Forum	International Financial News	November 2024
18	Best Investment Bank in Practicing ESG organized by the 16th NewFortune	NewFortune	April 2023
19	ESG Finance Award of the Year of 2023 Cailianshe Green Water Award	Cailianshe	December 2023
20	ESG Finance Award of the Year of 2024 Cailianshe Green Water Award	Cailianshe	December 2024
21	2023 China Corporate ESG Golden Responsibility Award	Sina Finance	December 2023
22	2023 Evergreen Awards Sustainable Development Inclusive Award	Caijing Magazine	December 2023
23	ESG 50 released by Forbes China	Forbes China	October 2023
24	Future ESG Award for Annual Outstanding Contribution to Society	KPMG China	January 2023

▶▶ 04 ESG Management System

4.1 ESG Governance Structure

Guotai Junan has established a comprehensive ESG governance structure at three levels: "supervising level - management level - executive level". The Strategy and ESG Committee of the Board was set up at the supervising level, the ESG and Sustainable Development Committee was set up at the management level, and four inter-departmental working groups, including investment and trading, green financing, risk management, green operation and social welfare, were set up at the executive level. At the same time, the ESG work responsibilities of each department and subsidiary were clarified.

Table 4-1 ESG Governance Structure

Level	Name of the Organization	Main responsibilities
Supervising level	Board of Directors	<ul style="list-style-type: none"> supervising, reviewing, and deciding the formulation of the Company's ESG strategies and objectives, as well as the identification, assessment, and ranking of the Company's material ESG 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 feedback on ESG work, and putting forward suggestions on the improvement of subsequent ESG work.
	The Strategy and ESG Committee of the Board	<ul style="list-style-type: none"> studying the Company's medium and long-term development strategies and providing consulting suggestions. studying and making recommendations on significant investment and financing options that require the Board's approval. studying the Company's ESG governance and providing decision-making consulting advice, including ESG governance vision, objectives and policies. Topics that will be focused on, studied and reviewed include, but are not limited to, addressing climate change, biodiversity, pollution prevention and control, employee health and welfare, employee development and diversity, optimizing product and service quality, data security and privacy protection, supply chain management, business ethics, green finance, etc., in order to promote the Company to achieve high-quality and sustainable development. studying and making suggestions on other significant issues that may affect the development of the Company. inspecting and evaluating the implementation of the above matters, and making recommendations for adjustment when appropriate. other duties assigned by the Board of Directors.
Management level	The ESG and Sustainable Development Committee (Setting up subordinate bodies including Investment Transaction Working Group, Green Financing Working Group, Risk Management Working Group and Green Operation and Social Welfare Working Group)	<ul style="list-style-type: none"> under the guidance of the Company's operating management, fully implementing the strategic deployment and decision-making requirements of the Board and the operating management on ESG and sustainable development, making recommendations on ESG and sustainability-related planning and implementation to the Board and the operating management, and reporting on ESG and sustainable development work. discussing and formulating specific plans for ESG and sustainable development-related target planning, system development, institutional setup, division of responsibilities, assessment and incentives, resource assurance, etc., so as to fully integrate ESG factors into all aspects of the Company's operation and management. assessing the progress of the Company's work on ESG and sustainable development, clarifying the priorities and implementation paths, continuously improving work performance, steadily improving the Company's ESG rating, and continuously enhancing the Company's capacity for sustainable development. identifying ESG opportunities and challenges that have a significant impact on the Company, establishing cross-unit working groups such as agile organizations as needed, coordinating solutions to key issues, seizing business development opportunities, responding to sustainable development challenges, and promoting the orderly and efficient development of ESG and sustainable development work. practising ESG and sustainable development concepts, promoting sustainable finance practices, and organizing the implementation of ESG and sustainable development-related strategic plans and action plans. researching and solving other fundamental, global and long-term material issues that affect the Company's ESG and sustainable development.

Level	Name of the Organization	Main responsibilities
Executive level	Departments and subsidiaries	<ul style="list-style-type: none"> implementing the decisions and instructions of the Board, the Strategy and ESG Committee of the Board and the ESG and Sustainable Development Committee on ESG and sustainable development work. promoting the daily ESG work of the Company, collecting and compiling the Company's ESG information and data, and reporting to the ESG and Sustainable Development Committee in a timely manner. completing the relevant ESG assessment indicators and achieving the organic integration of ESG and operation management. coordinating the promotion and public relations of the Company's ESG aspects, and the handling of the Company's ESG risk events.
	Investment Transaction Working Group	<ul style="list-style-type: none"> coordinating and promoting the establishment of ESG investment research system under the leadership of the Fixed Income Foreign Exchange Commodities Department to meet the sustainable investment needs of customers.
	Green Financing Working Group	<ul style="list-style-type: none"> coordinating and promoting the establishment of ESG financing system under the leadership of the Debt Financing Department, and providing leading comprehensive sustainable financing services for customers.
	Risk Management Working Group	<ul style="list-style-type: none"> coordinating and promoting the establishment of ESG risk management system under the leadership of the Risk Management Department and integrating ESG factors into the overall risk management system.
	Green Operation and Social Welfare Working Group	<ul style="list-style-type: none"> coordinating and promoting green operation and social welfare work led by the Administrative Office, and presenting a responsible corporate image.

Note: Please refer to the section headed "Corporate Governance" of the 2024 Annual Report of Guotai Junan for the composition of the members and the meetings of the Strategy and ESG Committee of the Board.

The ESG and Sustainable Development Committee is the core hub for the overall implementation of the Company's ESG and sustainable development strategies. The President of the Company serves as the chairman, and the Company's vice president in charge of ESG and sustainable development serves as the deputy chairman. The members of the committee include various departments and the subsidiaries of the Company. By the end of 2024, the ESG and Sustainable Development Committee had held 4 meetings, at which 21 ESG and sustainable development proposals had been considered and approved, fully deploying and promoting the Company's key ESG and sustainable development work in various fields.

Table 4-2 Meetings of the ESG and Sustainable Development Committee

Name of the Meeting	Time of the Meeting	Topic of the Meeting
First meeting of the ESG and Sustainable Development Committee	August 2023	<ul style="list-style-type: none"> considering the positioning, responsibilities and working mechanism of the Company's ESG and Sustainable Development Committee considering the latest developments in ESG disclosure standards and the report on the Company's ESG ratings enhancement considering the report on the progress of ESG work of the Company in the first half of 2023 and work plan for the second half of 2023 considering the Company's report on signing the PRI (Principles for Responsible Investment)

Name of the Meeting	Time of the Meeting	Topic of the Meeting
Second meeting of the ESG and Sustainable Development Committee	October 2023	<ul style="list-style-type: none"> considering the report on the background and initiation description of Guotai Junan's 2023 Sustainable Development (ESG) report considering the agenda setting, division of labor and information disclosure of Guotai Junan's ESG work considering the <i>Sustainable Finance Statistical Standards of Guotai Junan (Version 1.0)</i> considering the report on the progress of ESG and sustainable development work of the Company in the first three quarters of 2023 considering the work plan and suggestions of the investment and trading working group on the establishment of a green investment and trading system considering the work plan and suggestions of the Green Financing Working Group on the establishment of green financing system considering the work plan and suggestions of the Risk Management Working Group on the establishment of ESG risk management system
Third meeting of the ESG and Sustainable Development Committee	April 2024	<ul style="list-style-type: none"> considering the report on the ESG management and information disclosure of the Company in 2023, existing issues and major tasks in 2024 considering the report of the Investment and Transaction Working Group on ESG investment work in 2023, existing issues and major tasks in 2024 considering the report of the Green Financing Working Group on green financing work in 2023, existing issues and major tasks in 2024 considering the report of the Risk Management Working Group on ESG risk management in 2023, existing issues and major tasks in 2024
Fourth meeting of the ESG and Sustainable Development Committee	November 2024	<ul style="list-style-type: none"> considering the report of the latest regulatory requirements such as climate-related information disclosure considering the report on the experience of building ESG investment research system of leading domestic and foreign financial institutions considering the report of HuaAn Fund on the construction plan and implementation plan of equity ESG investment research system considering the report of Guotai Junan Asset Management on the construction plan and implementation plan of fixed-income ESG investment and research system considering the report of Guotai Junan Innovation Investment on the construction plan and implementation plan of the private equity ESG investment research system considering the report of the Fixed-income Foreign Exchange Commodities Department on the construction plan and implementation plan of carbon finance customer service system

4.2 ESG Strategic Planning

Guotai Junan attaches great importance to strengthening its strategic leading role. Not only has ESG been incorporated into the Company's overall strategic plan, but also a special strategic plan has been formulated for sustainable development.

In terms of the Company's overall strategic planning, *the 14th Five-Year Development Plan of Guotai Junan Securities* stated that "in terms of developing inclusive finance, green finance, and investor education and protection, we will increase resource investment, fulfill social responsibilities, and play an exemplary and guiding role". *The Outline of Strategic Planning of Guotai Junan Securities (2023-2025)* further proposed to "integrate ESG factors into all aspects of operation and management, accelerate the development of a world-class green modern investment bank, and fully demonstrate the world's first-class ESG brand image", and require to "form a strong synergy to carry out green finance

practices in an organized and systematic manner, achieve a significant improvement in business scale, service level and brand image, and become a model benchmark for the securities industry to practice green finance".

In terms of specific strategic planning, as the PRC government proposed the "dual carbon" goals of reaching carbon peak by 2030 and achieving carbon neutrality by 2060 in September 2020, Guotai Junan formulated and released the *Action Plan of Guotai Junan for Carbon Peaking and Carbon Neutrality* in May 2021, and proposed "forging five key capabilities" and "implementing eight major action plans". On this basis, in order to better serve the green and low-carbon transformation of the economy and society, Guotai Junan formulated and released the *Action Plan of Guotai Junan to Comprehensively Improve the Level of Green Financial Services* in May 2023, proposing to integrate ESG factors into all aspects of the Company's operation and management, and clarifying the Company's main goals and action measures for sustainable development.

Table 4-3 ESG Strategic Plan

Action Plan of Guotai Junan for Carbon Peaking and Carbon Neutrality	Action Plan of Guotai Junan to Comprehensively Improve the Level of Green Financial Services
<p>Forging Five Key Capabilities</p> <ul style="list-style-type: none"> • establishing leading green financing service capabilities • establishing strong green investment service capacity • building a first-class carbon trading pricing capability • enhancing green finance cross-border service capability • strengthening the risk management capability of green transition 	<p>Main Objectives</p> <ul style="list-style-type: none"> • The Company has established a comprehensive green investment and financing business service system to effectively identify, measure, monitor and control ESG risks. Green operation has achieved remarkable carbon emission reduction effects. In addition, the Company is leading the industry in mainstream ESG ratings at home and abroad such as MSCI, thus forming a strong synergy for carrying out green financial practices in an organized and systematic manner. The Company's business scale, service capability and brand image ranked first in the industry as a whole, and became a model benchmark for the securities industry to practice green finance.
<p>Implementing eight major action plans</p> <ul style="list-style-type: none"> • providing leading integrated carbon finance services • providing full-cycle and full-chain green investment and financing services • creation and sales of carbon-neutral financial products • strengthening the international layout and cooperation of green finance • promoting green and low-carbon comprehensive strategic cooperation • promoting the business philosophy of "intensiveness, cost reduction, quality improvement and efficiency enhancement" • promoting the comprehensive digital transformation of the Group • promoting the cultural concept and demonstration practice of green development 	<p>Actions</p> <ul style="list-style-type: none"> • accelerating the building of green investment service capacity • enhancing green financing service capability • strengthening green asset trading and service capabilities • enhancing green finance cross-border service capability • improving green finance risk management capability • strengthening investor education and rights protection • establishing a green finance research system • comprehensively implementing green operations • actively promoting social welfare undertakings • improving the green finance governance system • strengthening publicity and promotion • increasing resource investment • strengthening information disclosure • strengthening IT support

4.3 ESG Management Measures

In order to implement the Company's sustainable development strategy, Guotai Junan has taken a series of effective management measures, including clarifying the management responsibilities of ESG issues, compiling the guidance manual for ESG information disclosure, formulating sustainable finance statistical standards, developing ESG information management system, and establishing ESG assessment and incentive mechanism, thus establishing a closed-loop ESG management landscape featuring clear responsibilities, international alignment, complete standards, data-driven and effective execution. In 2024, Guotai Junan became the "ISSB Sustainability Disclosure Standards Pioneering Partner" initiated by ISSB (International Sustainability Standards Board), and actively participated in the construction and practice of international sustainable information disclosure standards.

Table 4-4 ESG Management Measures

Management Measures	Specific Practices
Clarifying the management responsibilities of ESG issues	<ul style="list-style-type: none"> Guotai Junan referred to the ESG information disclosure requirements of regulatory authorities and international organizations, drew on the industry practices of ESG issue setting by securities companies, and combined with the Company's strategic planning and the responsibilities of each department to sort out and form a list of ESG issues related to the Company's sustainable development work, and made the ESG issue setting have the characteristics of clear content and easy division of labor. On this basis, the ESG and Sustainable Development Committee clarified the management responsibilities of each department of the Company on ESG issues, so as to improve the effectiveness of the Company's sustainable development work in an all-round way.
Compiling the guidance manual for ESG information disclosure	<ul style="list-style-type: none"> In order to help all departments of the Company clarify the concept and practical requirements of ESG and sustainable development, Guotai Junan has compiled the <i>Guidance Manual for ESG Information Disclosure of Guotai Junan</i>. The manual comprehensively summarizes the requirements for ESG information disclosure of regulatory authorities such as the People's Bank of China, China Securities Regulatory Commission, Shanghai Stock Exchange, Hong Kong Stock Exchange, Shanghai State-owned Assets Supervision and Administration Commission, as well as ISSB (International Sustainability Standards Board), GRI (Global Reporting Initiative), SASB (Sustainability Accounting Standards Board), MSCI and other international organizations, and is used to guide various departments of the Company in managing their respective ESG issues.
Formulating sustainable finance statistical standards	<ul style="list-style-type: none"> There is no industry-recognized judgment standard for sustainable finance business, which makes it impossible to accurately calculate the scale of sustainable finance business carried out by relevant departments of the Company, and thus unable to effectively manage sustainable finance activities. Guotai Junan has studied and formulated the <i>Guotai Junan Sustainable Finance Statistics Standard</i> on the basis of relevant policies, regulations and industry practices, clarifying the Company's internal standards for statistics and assessment of sustainable finance. The business types covered by <i>Guotai Junan Sustainable Finance Statistical Standards</i> include green equity financing, ESG pledge financing, ESG indices, ESG funds, ESG asset management products, green ABS, green public REITs, green asset custody and outsourcing, ESG market making, ESG investment, green equity investment, etc., laying a statistical foundation for the implementation of sustainable financial management.
Developing ESG information management system	<ul style="list-style-type: none"> In order to meet the increasing requirements for disclosure of ESG information, especially environmental information such as greenhouse gas emissions, Guotai Junan independently developed and constructed an ESG information management system to fully digitalize the Group's ESG information management. The ESG information management system covers approximately 450 operating entities including the Company's headquarters departments, branches, business departments and domestic and overseas subsidiaries, and is capable of regularly summarizing over 2,500 ESG indicators as well as the ESG work progress of the headquarters departments, branches and subsidiaries. It provided strong information support for the Company's sustainability management and ESG information disclosure.
Establishing ESG assessment and incentive mechanism	<ul style="list-style-type: none"> Based on the ESG strategic plan, Guotai Junan has formulated a task list, clarified the division of tasks among departments and the corresponding evaluation indicators and targets, and incorporated the indicators and targets into the formulation and tracking and supervision procedures of the annual assessment goals of relevant departments and individuals, making ESG work an organic part of the Company's assessment and incentive mechanism, and ensuring that ESG work tasks are fully implemented.

4.4 ESG Concepts Promoting

In order to improve employees' ESG awareness and professional ability, Guotai Junan has formulated and implemented the ESG and sustainable development talent training plan, and launched a series of ESG and sustainable development training activities. The Company has collaborated with influential institutions such as Tsinghua University, the University of Hong Kong, Shanghai Environment and Energy Exchange, ACCA, and CFA to organize training programs such as ESG and sustainable development senior talent training courses, carbon trader training courses, ESG lectures, and online learning certification. From 2022 to 2024, Guotai Junan has held more than 70 ESG and sustainable development training sessions, developed more than 90 online courses, trained a total of 9,463 people, and accumulated 31,880 training hours. In 2024, a total of 2,362 employees of the Company have participated in ESG and sustainability trainings, with a total of 9,422 training hours accumulated. With the help of ESG and sustainability training activities, the Company won the "ACCA Professional Development Approved Employer", the "Best Employer 2023-2024" of Lyon Business School and the "Corporate Consulting Project Cooperation Award 2023-2024".

Table 4-5 Several ESG training activities held in 2024

Training Time	Activity Overview
January 25-26, 2024	<ul style="list-style-type: none"> The Company, ACCA and the Shanghai Financial Industry Federation jointly held the "Training Camp for Finance Executives on Green Transformation", with a total of 250 participants, to help Shanghai financial talents cultivate an international vision of finance and promote the green transformation and development of the financial industry.
April 19, 2024	<ul style="list-style-type: none"> The Company held the ESG Lecture (Phase 5) sharing event, and invited the Director of the Policy and Insight Department of ACCA China to share the Insights on Improvement of <i>ESG Management and Disclosure Capabilities of Financial Institutions</i>, with a total of 120 participants.
July 5, 2024	<ul style="list-style-type: none"> The Company held the ESG Lecture (Phase 6) sharing event, and invited the Director of ESG Data and Ratings of MioTech to share the <i>Application of ESG Data in Investment</i>, with a total of 125 participants.
August 6, 2024	<ul style="list-style-type: none"> The Company held the ESG Lecture (Phase 7) sharing event, and invited the person in charge of green operation of Bank of Shanghai to share the <i>Green Operation Experience of Bank of Shanghai</i>, with a total of 101 participants.
August 19-September 24, 2024	<ul style="list-style-type: none"> The Company held ACCA*CFA climate finance certification training, with 200 company employees participating in the certification. The Company held a green finance forum on the "Five Major Areas " and a graduation ceremony for climate finance certification, and invited the director of ESG and Sustainability of the Confederation of Danish Industry to share new trends in global ESG development in 2024.
October 22-26, 2024	<ul style="list-style-type: none"> The Company and Tsinghua University jointly organized the "Guotai Junan-Tsinghua University 2024 Advanced Training Course on ESG and Sustainable Development". A total of 55 trainees from headquarters departments, branches and subsidiaries attended the five-day training.
November 22, 2024	<ul style="list-style-type: none"> The Company held the ESG Lecture (Phase 8) sharing event, and invited the Deputy General Manager of the National Intellectual Property Operation (Shanghai) International Service Platform and the Shanghai Intellectual Property Exchange Center to share the <i>ESG Market Value Management of Intangible Assets</i>, with a total of 132 participants.
December 6, 2024	<ul style="list-style-type: none"> The Company, the Shanghai Finance Association and the China Business School of the University of Hong Kong jointly held a salon sharing event entitled "Practicing ESG in Financial Institutions: Innovation and Practice under the Framework of TCFD and TNFD", in which more than 30 financial institutions in Shanghai participated in the event, with a total of over 100 employees of the Company involved.



Topic 4-1 Guotai Junan and Tsinghua University jointly organized the 2024 Advanced Training Course on ESG and Sustainable Development

On October 22, 2024, Guotai Junan and Tsinghua University jointly organized the "Guotai Junan-Tsinghua University 2024 Advanced Training Course on ESG and Sustainable Development". A total of 55 trainees from headquarters departments, branches and subsidiaries attended the five-day training. Based on the first-class teaching resources of Tsinghua University, the training course offered special courses on ESG and sustainable development concepts, carbon emission reduction policies and trading systems, key issues in green finance development, international ESG disclosure systems and frameworks, and supply chain human rights due diligence. It aimed to lay a solid theoretical foundation for the Company's employees to further deepen ESG awareness and practice from multiple perspectives such as social responsibility, carbon trading market, and business ethics.





▶▶ 05 Sustainable Finance

5.1 Serving the Real Economy

5.1.1 Governance

With all the licenses, comprehensive business, nationwide presence and overseas exposure, Guotai Junan continued to improve its competitiveness, maintain leading operating results and continuously consolidate its position in the industry. Driven by customer demand, the Company has built retail, institutional and corporate customer service systems, and formed five major business segments, namely wealth management business, investment banking business, institutional and trading business, investment management business and international business. In recent years, in response to the new changes in customer needs and market landscape, the Company has further promoted integrated services, and has set up three major customer synergy development committees, namely retail, institutional and corporate, as well as the Guangdong-Hong Kong-Macao Greater Bay Area Co-operation and Development Committee, and international business committees to optimize and improve the supporting guarantee mechanism for synergetic business development. The Company also promoted cross-line and vertical collaboration between headquarters and branches, and opened up domestic and overseas collaboration, so as to strengthen the synergy between the head office and branches and among various business lines, and gradually highlight the advantages of an integrated financial service platform. In 2024, the Retail Customers Synergy Development Committee, the Institutional Customers Synergy Development Committee, the Corporate Customers Synergy Development Committee, the Guangdong-Hong Kong-Macao Greater Bay Area Co-operation and Development Committee, and the International Business Committee held 2, 2, 8, 5 and 2 meetings respectively, so as to promote the Company to better meet the needs of customers at home and abroad, and further improve the quality and efficiency of serving the real economy.

5.1.2 Strategy

China's securities industry is in a historical period of rapid development. The capital market reform and opening-up policy with a comprehensive registration system as its core will further improve the basic system of the capital market, strengthen the core functions of the capital market, and provide a good institutional environment and broad development space for the long-term and healthy development of securities companies. However, the complex and severe economic environment and the increasingly fierce competition in the industry have brought many challenges to the future development of securities companies. Only by continuously optimizing customer services and promoting international development can the Company maintain its competitive advantage in the market and expand the room for business growth to achieve long-term sustainable development.

Table 5-1 Analysis of risks and opportunities related to serving the real economy

Types	Risk Descriptions	Opportunity Descriptions
Service integration	<ul style="list-style-type: none"> With the continuous deepening of capital market reform centered on the registration-based system and the continuous accumulation of residents' wealth, the relatively single business service model of securities companies is difficult to adapt to the high-quality development needs of serving the real economy and the majority of investors' needs for professional, diversified and integrated investment and financing and wealth management. 	<ul style="list-style-type: none"> Guided by customer needs, securities companies will increase business innovation, continuously expand the depth and breadth of business and services, integrate business, products, channels and support service systems, and accelerate the transformation into a full-service integrated financial service provider with complete business chain, industrial chain and service chain.
Competitive differentiation	<ul style="list-style-type: none"> With the increasing marketization and increasingly fierce industry competition, the securities industry is gradually shifting from homogeneity, decentralization and channelization to differentiation, centralization and specialization, and capital, profits and main business shares are showing a pattern of concentration in leading securities companies. 	<ul style="list-style-type: none"> The leading securities companies have competitive advantages such as digital technology, platform operation, and efficient synergy, and are able to continue to expand their scale through self-accumulation, mergers and acquisitions and other means, and accelerate their development in the whole market and all business areas, so as to further enhance their competitive advantages and achieve specialization and integrated development.

Types	Risk Descriptions	Opportunity Descriptions
International development	<ul style="list-style-type: none"> The capital market continued to expand a high-level institutional opening up, and accelerated the introduction and implementation of various opening-up measures. The continuous improvement of the overseas listing system of enterprises, the gradual expansion of the scope of interconnection and interoperability, the increasingly diversified international product portfolio and the continuous deepening of domestic and overseas market cooperation have promoted the increasingly fierce international competition in the securities industry. 	<ul style="list-style-type: none"> The deepening of the institutional opening up of the capital market will bring more abundant cross-border business scenarios and service tools, further improve the convenience of cross-border investment and financing, bring new opportunities for the international development of securities companies, and help leading securities companies grow into large-scale investment banks with international competitiveness.
Operational digitization	<ul style="list-style-type: none"> Information technology has profoundly changed the competitive landscape of the securities industry. Securities companies must further strengthen their internet-based business mindset, continuously improve their level of technological independence, optimize business models through comprehensive digital transformation, and provide investors with personalized and exclusive products and services. 	<ul style="list-style-type: none"> By increasing investment in information technology, securities companies use advanced digital technology to improve customer experience, optimize business processes, and enhance operational efficiency, thereby promoting securities companies from a traditional fee-based business model to a diversified model that focuses on professional services, deepens customer relationships, and utilizes network services.

Under the above circumstances, Guotai Junan insists on taking the high-quality development of the real economy as its fundamental purpose, fully promoting the Company's high-quality development, accelerating the building of a first-class investment bank, and consolidating and enhancing its industry-leading advantages and market influence. The Company will strive to improve the service capabilities of its three major customer service systems, retail, institutional and corporate, so as to promote the overall improvement of business competitiveness and continuously enhance the quality and efficiency of serving economic and social development.

Table 5-2 Main business operation strategies

Business Types	Business Operation Strategies
Wealth management business	<ul style="list-style-type: none"> The Company continues to deepen customer base management, adheres to the dual-wheel drive of transaction services and wealth management, accelerates the transformation to buy-side investment advisory, strengthens asset allocation capabilities, and promotes the steady development of product sales and investment advisory business. The futures business focuses on serving industries and the real economy, strengthening professional capacity building, and improving the comprehensive service level for corporate and institutional clients. For margin financing and securities lending, the Company strengthens customer development and potential exploration and optimized business strategies, while the stock pledge business continues to improve the risk classification management mechanism.
Institutional and trading business	<ul style="list-style-type: none"> The Company optimizes its service model, builds first-class trading and investment capabilities, continuously improves its product creation capabilities and research expertise, and enhances the comprehensive service level for institutional clients.
Investment banking business	<ul style="list-style-type: none"> The Company is firmly committed to the direction of industrial investment banking, comprehensive investment banking and digital investment banking, deepening the reform of business units, strengthening industry development, increasing the synergy between investment banking, investment and investment research, and improving the comprehensive service capabilities over the entire life cycle.
Investment management business	<ul style="list-style-type: none"> The Company will enhance the core competitiveness of investment and research, strengthen intensive management and the construction of incentive and restraint mechanism.
International business	<ul style="list-style-type: none"> The Company put emphasis on developing cross-border business, promoting cross-border integration, and steadily advancing its global layout.

5.1.3 Impacts, Risks and Opportunities Management

In October 2023, the Central Financial Work Conference proposed to focus on the five major areas of technology finance, green finance, inclusive finance, pension finance, and digital finance. In July 2024, the Third Plenary Session of the 20th Central Committee of the Communist Party of China made major arrangements for further deepening financial system reform, emphasizing the active development of the above-mentioned five major financial fields and strengthening high-quality financial services for major strategies, key areas, and weak links. Doing well in the "five major areas" of finance is an important focus of financial services for the high-quality development of the real economy, and also an important part of financial institutions to achieve their own stable development.

In 2024, Guotai Junan fully leveraged its industry-leading advantages, taking platform construction as the main focus, building a solid three-pillar core capability of "comprehensive service platform, leading digital technology, and sound compliance culture", vigorously developing technology finance, green finance, inclusive finance, pension finance, and digital finance, move forward towards the goal of becoming an investment bank with international competitiveness and market leadership.

Table 5-3 Major initiatives in serving the real economy

Technology finance

- The Company has fully implemented the *Action Plan for Serving the Construction of Shanghai Science and Technology Innovation Center*, established a full-life-cycle service system for science and technology innovation enterprises, and provided high-quality, full-chain and differentiated services for science and technology innovation enterprises at different development stages, and promoted high-level circulation of capital, technology and industry.
- In terms of financing, the Company firmly established itself as an "industrial investment bank". By deepening its development in key industries, the Company provided technology enterprises with comprehensive services throughout the whole life cycle and the whole chain, covering various aspects such as direct investment, investment with raised funds, listing financial advisory, and post-listing financing and mergers and acquisitions. In 2024, the Company assisted 19 science and technology innovation enterprises in completing equity financing of nearly RMB20 billion; and underwrote 174 science and technology innovation bonds with a total underwriting amount of RMB63.533 billion, ranking the top three in the industry in terms of underwriting scale.
- In terms of investment, the Company was committed to discovering the value of technology enterprises, and gave full play to the role of enterprise empowerment and value creation. The Company insisted on investing in early stage, small-scale investment and investment in hard technology, and established a science and technology innovation fund matrix of "fund of funds+ industry fund" with a value of over RMB30 billion. The Company also participated in the investment and establishment of Shanghai's three leading industry fund of funds; it has directly invested in more than 150 science and technology innovation enterprises, and the fund of funds has invested in a total of 52 sub-funds, which have penetrated and promoted over 1,000 technology innovation enterprises.
- In terms of cooperation with peers, the Company innovatively builds "investment bank + commercial bank" linkage service products. For example, the Company jointly launched the "Junxin Fugang" service plan with Shanghai Rural Commercial Bank, and launched a special product "Junxinbao" for Lingang's scientific and technological innovation enterprises. In addition, under the leadership of the Shanghai headquarters of the People's Bank of China, the Company signed a "5+3 Technology Finance Strategic Cooperation Agreement" with the Shanghai branches of the five major banks, Haitong Securities, and Shenwan Hongyuan within the framework of the Shanghai Science and Technology Finance Alliance to explore the realization of multi-party in-depth cooperation services for earlier, smaller, and harder science and technology and technological innovation companies.

Green finance

- The Company promoted the integration of ESG factors into all aspects of operation and management, accelerated the development of a world-class green modern investment bank, and formed a strong synergy for the establishment and systematic implementation of green financial practices. The Company's business scale, service level and brand image have been significantly improved, making it a model for the securities industry to practice green finance. In 2024, the revenue of Guotai Junan's green finance business exceeded RMB600 million, accounting for no less than 1.4% of the Company's operating revenue.
- For details, please refer to the three sections headed "Carbon Finance", "Sustainable Investment" and "Sustainable Finance" in this report.

Inclusive finance

- The Company accelerated the construction of the "investment advisor-driven, technology-enabled" wealth management 2.0 model, taking asset allocation as the core capability of wealth management transformation, promoting the dual-wheel drive of wealth management and asset management, focusing on building the Guotai Junan asset allocation brand, and continuously improving the coverage, availability and satisfaction of inclusive financial services.
- The Company used its financial power to precisely support micro, small and medium-sized enterprises by recommending 22 NEEQ-listed projects, ranking second in the industry, helped TBEA issue the first domestic private enterprise's micro, small and medium-sized enterprise support bond, and helped Heyun International Leasing in issuing small and micro targeted asset-backed notes.
- The Company strengthened the financial services for private enterprises. Among 24 equity financing (including convertible bonds) projects on the stock exchanges, 17 were private enterprises, and 22 projects listed on the NEEQ (including private placements) were 21 private enterprises. The number of service private enterprises accounted for 82.61%.
- The Company actively supported the development of areas inhabited by ethnic minorities and assisted Tibet Urban Development and Investment Co., Ltd. as the sponsor and lead underwriter in the issuance of A shares to certain targets, raising approximately RMB1 billion.
- The Company increased the accessibility and convenience of its wealth management services. Its internet branch officially launched and acquired 495 thousand new customers and RMB10.9 billion new customer assets. The number of Junhong APP users exceeded 41 million, and the average number of monthly active users ranked second in the industry. The sales volume of key products such as CSI A500 led the industry, and the Company was selected as the first batch of pilot securities companies under the "Cross-boundary WMC".

Pension finance

- The Company continuously improved the supply and risk control capabilities of elderly care products, actively promoted the construction of a multi-layer and multi-pillar pension system, assisted the healthy development of the third-pillar pension insurance system, and effectively met the needs of residents for elderly care services.
- The Company actively promoted the personal pension business and supported 18 banks with linked personal pension accounts, ranking first in the industry. It has connected with 55 individual pension fund managers, and its agency-sold individual pension fund products have a shelf rate that ranks first in the industry.
- HuaAn Fund's pension target fund of 10 products with a total size of over RMB1.6 billion participated in the research entitled *Public Offering Fund Industry Serving the High-Quality Development of Pension Finance* by the Asset Management Association of China.

Digital finance

- The Company continued to promote the comprehensive digital transformation characterized by "online", "data-based" and "intelligent", systematically built 14 platforms in four categories: customer service, business capabilities, operation management, and digital technology, independently developed a new generation of distributed low-latency core transaction system, and promoted the intelligent application of large language models.
- For details, please refer to the section headed "Innovation driving" in this Report.



Topic 5-1 Guotai Junan assisted RIGOL in becoming the first enterprise approved for merger, acquisition and restructuring on the STAR Market in 2024

On July 5, 2024, the project of issuing shares to purchase assets and raise supporting funds by RIGOL Technologies Co., Ltd. (hereinafter referred to as "RIGOL"), for which Guotai Junan served as the independent financial advisor and lead underwriter, was approved by the Shanghai Stock Exchange's Merger and Acquisition Committee, becoming the first merger and acquisition project after the China Securities Regulatory Commission issued the *Eight Measures Regarding Deepening the Reform of the STAR Market to Technological Innovation and the Development of New Quality Productive Forces*. In April 2022, Guotai Junan solely sponsored the successful listing of RIGOL on the STAR Market with proceeds of RMB1.846 billion. In October 2023, Guotai Junan, as the sponsor and lead underwriter, assisted RIGOL in completing a financing of RMB290 million. The final successful approval of the project fully demonstrated the profound practice of Guotai Junan's in-depth exploration of corporate value and provision of financial services along the whole value chain for customers.



Topic 5-2 Guotai Junan assisted Spacecom Satellite in completing RMB6.7 billion Series A financing

In February 2024, Guotai Junan, as the sole financial advisor, assisted Shanghai Spacecom Satellite Technology Ltd. ("Spacecom Satellite") in the successful completion of its Series A financing, with a financing amount of RMB6.7 billion. This round of financing was the first round of high-profile large-scale financing in the primary market of commercial aerospace. It was led by the CDBC Manufacturing Transformation and Upgrading Fund, followed by 12 institutions including Guoke Capital, Guosheng Capital, and Guotai Junan Venture Capital, and the existing shareholder Alliance Investment continued to provide strategic support. This round of financing was the first round of financing for Spacecom Satellite, which has laid a solid foundation for Spacecom Satellite to build an integrated air-space-earth-sea network and achieve global business coverage.



Topic 5-3 Guotai Junan assisted CRRC Times Semiconductor in increasing capital, expanding shares and introducing strategic investors

On April 26, 2024, the signing ceremony for the capital increase and share expansion, introduction of strategic investors and employee stock ownership platform project of Zhuzhou CRRC Times Semiconductor Co., Ltd. ("CRRC Times Semiconductor"), with Guotai Junan as financial advisor, was successfully held in Zhuzhou. Strategic investors and CRRC Times Semiconductor achieved a high degree of strategic synergy in terms of industrial resources, market resources, R&D and innovation, and the introduction of the employee stock ownership platform provided important support for CRRC Times Semiconductor to further stimulate the vitality of all employees. The project financing amounted to RMB4.328 billion, providing important support for the strengthening, optimization and expansion of China's CRRC power semiconductor industry sector, and promoting the core competitiveness and market influence of CRRC Times Semiconductor to a new level.



Topic 5-4 Guotai Junan Securities assisted in issuing first "Belt and Road" technological innovation high-growth industry bond in China

On June 5, 2024, Hongshi Holding Group Co., Ltd. ("Hongshi") successfully issued RMB290 million of public corporate bonds of "Belt and Road" technological innovation high-growth industries on the Shanghai Stock Exchange. Guotai Junan Securities served as the lead underwriter for this bond, with an issuance period of 3 years and an issuance rate of 3.20%. It was the first "Belt and Road" technological innovation high-growth industry bond in China. This issue of bonds has accumulated valuable experience for the issuance and innovative practices of bonds by private industrial entities.



Topic 5-5 Guotai Junan assisted in issuing the first bond in China issued by a private enterprise to support micro, small and medium-sized enterprises

On April 25, 2024, Tebian Electric Apparatus Stock Co., Ltd. ("TBEA"), with Guotai Junan as the lead underwriter, completed the bookkeeping for the 2024 public issuance of short-term corporate bonds (high-growth industrial bonds) (first phase) to support micro, small and medium-sized enterprises in technological innovation to professional investors. This bond issue was the first bond issued by a private enterprise in China to support micro, small and medium-sized enterprises, the first bond to support micro, small and medium-sized technological innovation enterprises, and the first short-term corporate bond for a high-growth industry. The issuance size of this tranche of bonds is RMB500 million, with an issuance term of 180 days, a coupon rate of 2.18%, and a subscription multiple of 4.12 times. All proceeds raised from the bonds will be used to support the development of micro, small and medium-sized enterprises in the upstream and downstream of the industrial chain or related to the Company's business through making prepayments or settlement of accounts payable. The successful issuance of the bonds was an important measure of Guotai Junan's implementation of the policies on promoting the high-quality development of micro, small and medium-sized enterprises, and also an important embodiment of Guotai Junan's active implementation of the *Opinions of the Central Committee of the Communist Party of China and the State Council on Promoting the Development and Growth of the Private Economy*.



Topic 5-6 Guotai Junan assisted Heyun International Leasing in successfully issuing small and micro-sized enterprise targeted asset-backed notes

On September 23, 2024, the 2024 First Tranche of Heyun International Financial Leasing Co., Ltd. Facilitating Industrial Upgrading of Small and Micro-sized Enterprise Asset-backed Notes, with Guotai Junan acting as the exclusive lead underwriter, was successfully issued in the inter-bank bond market. The issuance scale of the project was RMB1.5 billion, and the underlying assets were high-quality lease receivables accumulated by Heyun International Leasing in the small and micro-sized financial leasing business. The principal balance of the underlying assets of the projects amounted to RMB1,500,202,400, which was invested in 2,022 small and micro-sized enterprises, of which over 80% were the outstanding principals of the manufacturing lessees. Guotai Junan assisted financial leasing companies in revitalizing their existing small and micro assets and improving the efficiency of capital utilization by issuing targeted asset-backed note products for small and micro enterprises. It used innovative financial solutions to help optimize the financing environment for private enterprises, effectively resolving the difficulties faced by small and micro-sized enterprises in financing, which are difficult, expensive and slow, and supporting their high-quality development.



Topic 5-7 Guotai Junan promotes the development of women's pension finance

Against the backdrop of China's increasingly aging population, women's needs for pension finance are even more urgent as women retire earlier than men and have a higher life expectancy than men. In 2024, Guotai Junan joined the research group of "Financial Support for Women's Sustainable Development" at the International Institute of Green Finance of the Central University of Finance and Economics, and as one of the main units, completed the "Financial Support for Women's Retirement" project. In addition, Guotai Junan also held the Investment and Education Activity themed "Women's Grace and Wealth Embarkation: Financial Wisdom Exclusively for Women" at its Beijing branch, with a view to raising the public's awareness of retirement financial issues for women, popularizing relevant financial knowledge, and promoting wealth management concepts suitable for women, which attracted the enthusiastic participation of many female investors.



As a financial state-owned enterprise in Shanghai, Guotai Junan actively assists Shanghai in building an international economic center, financial center, trade center, shipping center, and scientific and technological innovation center, and helps the reform of state-owned assets and state-owned enterprises in Shanghai. In 2024, the Company has raised funds of over RMB560 billion for more than 100 enterprises in Shanghai, of which the amount of bonds underwritten was nearly RMB190 billion, ranking first in the industry.

Table 5-4 Major initiatives in assisting Shanghai's development and reform

Assisting in the construction of Shanghai's "Five Centers"

- The Company supports the development of the STAR Market. Since the establishment of the STAR Market, the Company has assisted 48 companies to list on the STAR Market, ranking the forefront of the industry in terms of both the number and scale of IPOs. In 2024, the Company has assisted 19 technology innovation enterprises in completing equity financing of nearly RMB20 billion.
- Focusing on Shanghai's "3+6" industrial system, the Company has built a matrix of technology innovation funds of over RMB30 billion of "fund of funds + industry funds", participated in the establishment of three major Shanghai leading industry fund of funds, and directly invested in more than 150 technology innovation enterprises. The Fund of Funds has invested in a total of 52 sub-funds, which have penetrated and driven over 1,000 technology innovation enterprises, including Enflame, the AI chip unicorn, and Spacecom Satellite, the satellite industry leading enterprise.
- Relying on the innovative service model of "investment, incubation and linkage", the Company supported the Shanghai Institute of Science and Technology Innovation and Finance, participated in the establishment of the "Angel Club", invested in the Shanghai Equity Exchange, and recommended high-quality technology companies to be listed on multi-level capital markets such as the Shanghai Equity Exchange's "Specialized and New Board".
- The Company's securities trading volume in Shanghai increased by 28% year-on-year, which was 14 percentage points higher than the national average.

Assisting in the reform of state-owned assets and state-owned enterprises in Shanghai

- The Company assisted state-owned enterprises in Shanghai to improve their financing structures. As a financial consultant, the Company assisted IM Motors, a subsidiary of SAIC Motor, in obtaining financing of over RMB8 billion, and assisted Shanghai Spacecom Satellite in financing of RMB6.7 billion. As an underwriter, the Company helped COSCO Shipping to issue RMB3 billion of corporate bonds, SIPG to issue RMB2 billion of 10-year medium-term notes, SPD Bank to issue RMB34 billion of secondary capital bonds, Bank of Shanghai to issue RMB30 billion of financial bonds, and the Electric Equipment Group to issue the first technology innovation corporate bond, which is a high-growth industrial bond of state-owned enterprises in China. The Company also issued technology innovation bonds for well-known investment institutions such as SSCI, SAIC Financial Holdings and Zhangjiang Science and Technology Investment.
- The Company completed the establishment of Bailian Guotai Junan Commercial Pre-REITs Fund with a size of RMB450 million, and established Bailian Shanghai International Consumer Industry Innovation Leading Equity Investment Fund with a size of RMB2 billion.
- The Company helped revitalize its existing assets by issuing Bailian consumer REIT and Shanghai's first warehousing and logistics infrastructure REITs "HuaAn Waigaoqiao REIT". The Company also issued Lujiazui Group REITs and Jinqiao Shares REITs, providing innovative solutions and successful practices for revitalizing high-quality assets of state-owned enterprises in the region.
- The Company actively assisted Shanghai enterprises to "go global" at a high level and overseas institutions to "come in", and assisted China Baowu in issuing the first corporate bond under the Belt and Road Initiative for technological innovation and low-carbon transformation of RMB10 billion. The Company opened a new QFII account for its first customer in the Middle East, Qatar National Public Bank, and became the sole prime broker for QFII domestic A-share trading of Jefferies Group. The Company proactively demonstrated its professional capability in risk management, and actively provided "Guotai Junan Risk Hedging" services for enterprises such as SPD Bank, Orient Securities and SAIC Qizhen.
- The Company has signed market value management service agreements with 12 Shanghai state-owned enterprise groups, incorporating ESG consulting into the comprehensive service plan of Shanghai state-owned enterprises.



Topic 5-8 Guotai Junan established consumer industry fund to support Shanghai's development as an international consumer center

On December 20, 2024, the establishment of Shanghai Bailian Guotai Junan Chuangling Private Equity Fund Partnership (Limited Partnership) (the "Bailian Guotai Junan Chuangling Fund") was completed. The size of Bailian Guotai Junan Chuangling Fund amounted to RMB2 billion. Guotai Junan Venture Capital served as the fund manager and jointly served as the managing partner of the fund with Shanghai Commercial Investment Venture Capital Co., Ltd., a subsidiary of Bailian Group. At the same time, Shanghai Huangpu Investment Holding (Group) Co., Ltd. and Beijing International Trust Co., Ltd. were introduced to participate in the establishment of the fund. Bailian Guotai Junan Chuangling Fund took practical actions to help Shanghai build a new "3+6" industrial system, enhance consumption through industrial investment, and play a fundamental role in economic development. Bailian Guotai Junan Chuangling Fund invested in major areas such as brand and trend retail, cultural experience service, medical and health care, and consumer technology, with a view to enhancing the level of financial services for the real economy and assisting the development of Shanghai into an international consumption center.

5.1.4 Indicators and Targets

In 2024, Guotai Junan has continuously strengthened the construction of the three major customer service systems for retail, institutions and enterprises, actively planned the international business layout, and promoted various business management work in an orderly manner. The wealth management business accelerated its transformation into a buy-side investment advisory business, and the competitiveness of financial product sales and investment advisory continued to improve. The investment banking business further promoted the divisional system reform, and the industry capacity and competitiveness of key regions continued to increase. The institutional and trading business optimised the integrated service model, improved the service quality for key customers, and accelerated the development of transaction pricing and customer service capabilities. The investment management business strengthened its core capabilities in active management and the scale of assets under management continued to grow. The international business orderly promoted cross-border integration and overseas layout, and the development results gradually emerged. For details of the completion of the operating indicators of the Company's principal businesses, please refer to the section headed "Discussion and Analysis of the Board of Directors" of *2024 Annual Report of Guotai Junan*.

5.2 Carbon Finance

5.2.1 Governance

Guotai Junan set up its carbon finance business team as early as 2014. In 2015, Guotai Junan obtained the carbon trading license of the China Securities Regulatory Commission. In 2016, Guotai Junan became the first PRC securities firm to join the International Emissions Trading Association (IETA). The Company has successively completed the first CCER (Chinese Certified Emission Reduction) transaction and the first carbon inclusive transaction in the securities industry, providing high-quality carbon financial services to the market, helping enterprises effectively revitalize carbon assets and discovering carbon price.

As an important part of the Company's sustainable finance business, the carbon finance business of Guotai Junan is mainly undertaken by the Fixed Income Foreign Exchange Commodities Department and Guotai Junan Futures, under the unified guidance of the Company's ESG and Sustainable Development Committee. For details of the meetings of the ESG and Sustainable Development Committee, please refer to the section headed "ESG Governance Structure" in this report. The investment and trading working group under the ESG and Sustainable Development Committee of the Company is responsible for coordinating and solving cross-departmental needs related to carbon finance business.

5.2.2 Strategy

The *Paris Agreement* has pushed the world into a carbon-neutral era. Major economies have successively proposed a series of emission reduction targets and supporting policies to address climate change. China has also set a carbon peaking and carbon-neutral target and proposed the "1+N" dual carbon policy. The scale and volume of the domestic carbon trading market are expected to expand significantly, and carbon prices will have an important impact on the operating decisions of enterprises in related industries. The gradual implementation of the implementation rules of the *Paris Agreement* will also promote the rapid development of the international carbon market, and the carbon market is expected to usher in a new globalization pattern. Driven by the carbon neutrality target, the economy and society at home and abroad are going through a comprehensive, profound and protracted low-carbon transformation, which is expected to bring about trillions of investment and financing needs and high-carbon asset transformation needs, bringing unprecedented opportunities and challenges to the securities industry.

In recent years, with the proposal of China's carbon peaking and neutral target, the expansion of the carbon emissions trading market, and the implementation of the EU carbon border adjustment mechanism, industrial enterprises, especially export-oriented enterprises with high emissions, are facing increasing carbon emission constraints. In order to meet the increasing demand for carbon finance services from customers, Guotai Junan has integrated its professional resources to build a carbon finance customer service system. The Fixed Income and Foreign Exchange Commodities Department is responsible for the construction and centralized operation of the carbon finance customer service system. By strengthening the internal synergy of the Group and the cooperation with external institutions, it provides customers with integrated carbon finance customer service solutions.

Table 5-5 Carbon Finance Customer Service System

Business Departments	Business Responsibilities
Fixed Income Foreign Exchange Commodities Department	<ul style="list-style-type: none"> As the lead department of the Company's carbon finance business, it is responsible for the overall management of the Company's carbon finance business, formulation of development plans, construction of carbon finance business customer service system, carbon finance business training and other work.
Guotai Junan Futures and its risk management subsidiaries	<ul style="list-style-type: none"> Cooperating with the Fixed Income and Foreign Exchange Commodities Department to provide customers with comprehensive carbon finance service solutions, as well as carbon market research support and related consulting services.
Domestic branches	<ul style="list-style-type: none"> Conducting customer marketing activities for carbon finance business in the domestic market under the centralized management and unified guidance of the Fixed-income Foreign Exchange Commodities Department.
Overseas subsidiaries	<ul style="list-style-type: none"> Conducting carbon financial transactions and customer marketing in overseas markets and providing carbon financial services under the centralized management and unified guidance of the Fixed Income Foreign Exchange Commodities Department.
Other departments	<ul style="list-style-type: none"> Participating in customer marketing, customer management and maintenance of carbon finance business.

5.2.3 Impacts, Risks and Opportunities Management

Guotai Junan's carbon finance customer service system, with transactions, products and consulting as its core business forms, continues to meet the various needs of entity corporate customers in participating in carbon markets, managing carbon assets, achieving carbon neutrality, etc., and strives to assist the development of the carbon market itself. At the same time, it promotes enterprises to effectively achieve energy conservation, emission reduction and low-carbon transformation through market-based mechanisms, and help achieve the "dual carbon" goals with practical actions.

In 2024, Guotai Junan significantly increased the scale of carbon assets trading, providing carbon asset pledge and disposal trading services for China Construction Bank, Industrial and Commercial Bank of China, Hua Xia Bank, etc., helping banks to form a closed-loop carbon pledge business. Guotai Junan also provided ESG management consulting and report preparation services to our customers, helping them develop an ESG management system that suits their own and industry characteristics. Guotai Junan Securities (UK) Limited and Guotai Junan Securities Investments (Hong Kong) Limited have implemented EUA (European Union carbon allowance) futures trading and EUA-linked TRS (revenue swap) trading, promoting the Group's cross-border carbon financial service capability to a new level.

Table 5-6 Main achievements of carbon finance business in 2024

Overall breakthrough in emission reduction business

- The contracted solar thermal power generation CCER (China Certified Emission Reduction) project was the first registered in the whole market.
- The contracted livestock and poultry manure treatment projects were successfully registered under the VCS (Verified Carbon Standard managed by Verra) mechanism.
- Certain newly signed CCER purchase transactions such as afforestation and methane utilisation have laid a solid foundation for its future CCER trading business.

Exploring multiple ways to develop synergies with banks, innovating business models and increasing customer expansion channels

- Cooperation with Construction Bank's Shanghai Branch and Industrial and Commercial Bank of China's Shanghai Branch in implementing SHEA (Shanghai Emissions Allowances) pledge and disposal transactions.
- Cooperation with the Head Office and Guangzhou Branch of Hua Xia Bank in implementing GDEA (Guangdong Emissions Allowances) pledge and disposal transactions.
- Cooperation with China Merchants Bank's Changjiang Green Branch in implementing carbon asset buyback transactions.

Implementation of overseas carbon trading business to further enhance the international level of carbon finance business

- Guotai Junan Securities (UK) Limited implemented the first EUA (European Union Allocation) futures trading.
- Guotai Junan Securities Investments (Hong Kong) Limited entered into the first EUA-linked TRS (cross-border carbon revenue swap) transaction.
- Based on its cross-border self-operated capabilities, the Company has initially acquired the ability to provide cross-border carbon trading services for shipping, trading and other enterprises to meet the compliance and carbon cost management needs of overseas carbon markets.

Promoting the development of carbon finance business through digitalization

- Developed several systems for different purposes, such as carbon finance business quotation and management, to promote the transformation of offline business processes to online and automation.



Topic 5-9 Guotai Junan assisted Shouhang High-Tech in completing the first solar thermal project issuance transaction in CCER market

Solar thermal power generation combines multiple functions of renewable energy generation, peak regulation and energy storage, and meets the characteristics of high-quality CCER (China Certified Emission Reduction) projects such as additionality, measurable and traceable emission reductions. Guotai Junan and Shouhang High-Tech entered into a strategic cooperation agreement on carbon finance in September 2022, and entered into a CCER Purchase Transaction Agreement for the 10MW molten salt tower solar thermal power generation project and the 100MW molten salt tower solar thermal power generation project of Dunhuang Shouhang Energy Saving and New Energy Co., Ltd. in October 2023. After the authorities restarted the voluntary emission reduction projects and emission reduction applications, Guotai Junan promoted the two projects to complete the registration and issuance and trading within half a year, and became the first photovoltaic power generation project registered and traded in the CCER market. The result of this cooperation not only injects impetus to the sustainable development of photovoltaic power generation technology, but also highlights the strong support of finance to the green development of real enterprises through practical actions.

The 100MW molten salt tower solar thermal power station of Dunhuang Shouhang Energy Saving was selected as one of the first batch of "National Solar Thermal Power Demonstration Projects" in 2016, and it is the first 100 MW class solar thermal demonstration power station in China. It is also a 100MW molten salt tower solar thermal power station with the world's largest concentrating scale, the highest heat absorption tower, the shortest construction period, and 24 hours of continuous power generation, with an annual power generation capacity of 390 million kWh.



Topic 5-10 Guotai Junan entered into carbon asset pledge disposal transaction with banks

On May 30, 2024, Guotai Junan and China Construction Bank's Shanghai Branch jointly launched the "construction carbon loan" business, and the two parties entered into a business cooperation on carbon emission allowance pledge financing and disposal transactions in Shanghai. This cooperation focused on carbon assets held by a key emission unit of an aviation group. China Construction Bank's Shanghai Branch provided carbon assets pledge loan financing for customers, and Guotai Junan provided carbon trading risk mitigation for the above financing in the form of transactions, helping key emission units revitalize carbon assets.

On November 29, 2024, the launching ceremony of the online mortgage and pledge financing business of carbon emission allowances in Guangdong Province was successfully held in Guangzhou. This is the first digital demonstration product of carbon allowance mortgage and pledge financing in China, and provide convenient financing channels and contract performance support for approximately 260 emission-controlling enterprises in six industries in Guangdong Province, including ceramics, ports, data centers and papermaking. Guotai Junan completed the collateral trading on the exchange through the exchange clearing services of Shanghai Clearing House and Guangzhou Emissions Exchange, helping Hua Xia Bank to achieve pledge rights, providing carbon trading risk mitigation for bank credit assets, and helping key emission units revitalize carbon assets.



Topic 5-11 Guotai Junan's UK Subsidiary completed the first European carbon allowance (EUA)

In August 2024, under the guidance of the Fixed Income Foreign Exchange Commodities Department of Guotai Junan, Guotai Junan Securities (UK) Limited (the "UK Subsidiary") completed the first EUA (European carbon allowance) futures trading, promoting the Group's cross-border carbon financial service capabilities to a new level.

The European carbon emission futures market is an important part of the European carbon trading market. The completion of the European carbon emissions futures trading indicates that the Group and its UK Subsidiary have the ability to trade carbon emissions derivatives in Europe, and will provide cross-border risk management services for entities that have the need to hedge against European carbon prices in the future. It is of great significance in the context of the implementation of the European Carbon Border Adjustment Mechanism (CBAM) and the inclusion of the shipping industry into the European mandatory compliance market.

5.2.4 Indicators and Targets

Guotai Junan has been awarded the Excellent Member and Excellent Investment Institution of the pilot carbon emission exchanges in Beijing, Shanghai and Guangdong for many consecutive years, and maintained a leading position in the industry in terms of trading volume. Guotai Junan is an important participant in the domestic carbon trading market, providing leading carbon financial services for many leading enterprises and making outstanding contributions to the liquidity of the domestic carbon market. The Company's carbon financial trading business serves customers from dozens of regions including Beijing, Shanghai, Shandong, etc., covering industries such as power generation, heating, papermaking, chemicals, steel, transportation, finance, and public utilities. The service targets involve emission control enterprises, voluntary carbon neutral enterprises, carbon service platforms, institutional investors, etc. As of the end of 2024, the Company has participated in the carbon trading market with a cumulative trading volume of approximately 88 million tons in the past, of which the trading volume in the carbon trading market was approximately 13 million tons in 2024, maintaining a leading position in the industry.

5.3 Sustainable Investment

5.3.1 Governance

As an important part of sustainable finance business, Guotai Junan has set up an inter-departmental Investment Transaction Working Group under the ESG and Sustainable Development Committee for sustainable investment. For details of the meetings of the ESG and Sustainability Committee, please refer to the section headed "ESG Governance Structure" in this report. The Investment Transaction Working Group is led by the Fixed Income Foreign Exchange Commodities Department. Under the guidance of the Company's ESG and Sustainability Committee, the Investment Transaction Working Group is responsible for coordinating and promoting the establishment of the Company's ESG investment research system to meet customers' needs for sustainable investment. Relevant business departments accelerated the improvement of ESG investment research capabilities according to their own needs, and some business departments have deployed dedicated ESG investment research teams.

Investment Transaction Working Group focuses on the construction of ESG investment and trading system, strengthens the research and experiences exchange on sustainable investment models with leading financial institutions at home and abroad, carefully summarizes the advanced practices at home and abroad, and combines them with the actual situation of the Company's investment and transaction business to continuously promote the construction of ESG investment research system for various types of assets. Since its establishment, the Investment Transaction Working Group has held one meeting, at which the working mechanism of the Investment Transaction Working Group was reviewed and approved, and all member entities were invited to exchange their experiences in ESG investment research and development, and to study and solve problems in ESG investment research and development.

In 2023, Guotai Junan formulated the *Statement on Responsible Investment of Guotai Junan Securities Co., Ltd.* covering topics such as the organization structure and investment research management of the Company's sustainable investment, and the application of responsible investment strategies, to promote the organic integration of ESG investment concepts and investment business. In order to actively fulfill its fiduciary duties and further regulate the exercise of voting rights, Guotai Junan formulated the *Statement on Exercise of External Voting Rights by Guotai Junan Securities Co. Ltd.* in 2023, which specifies the principles for the exercise of external voting rights by the Company and its subsidiaries, and incorporates ESG factors into the deliberations on voting matters, focusing on nine ESG issues, including climate change, energy conservation and environmental protection, pollution emission, human capital, supply chain management, social responsibility, corporate governance, investors' rights and interests, and business ethics.

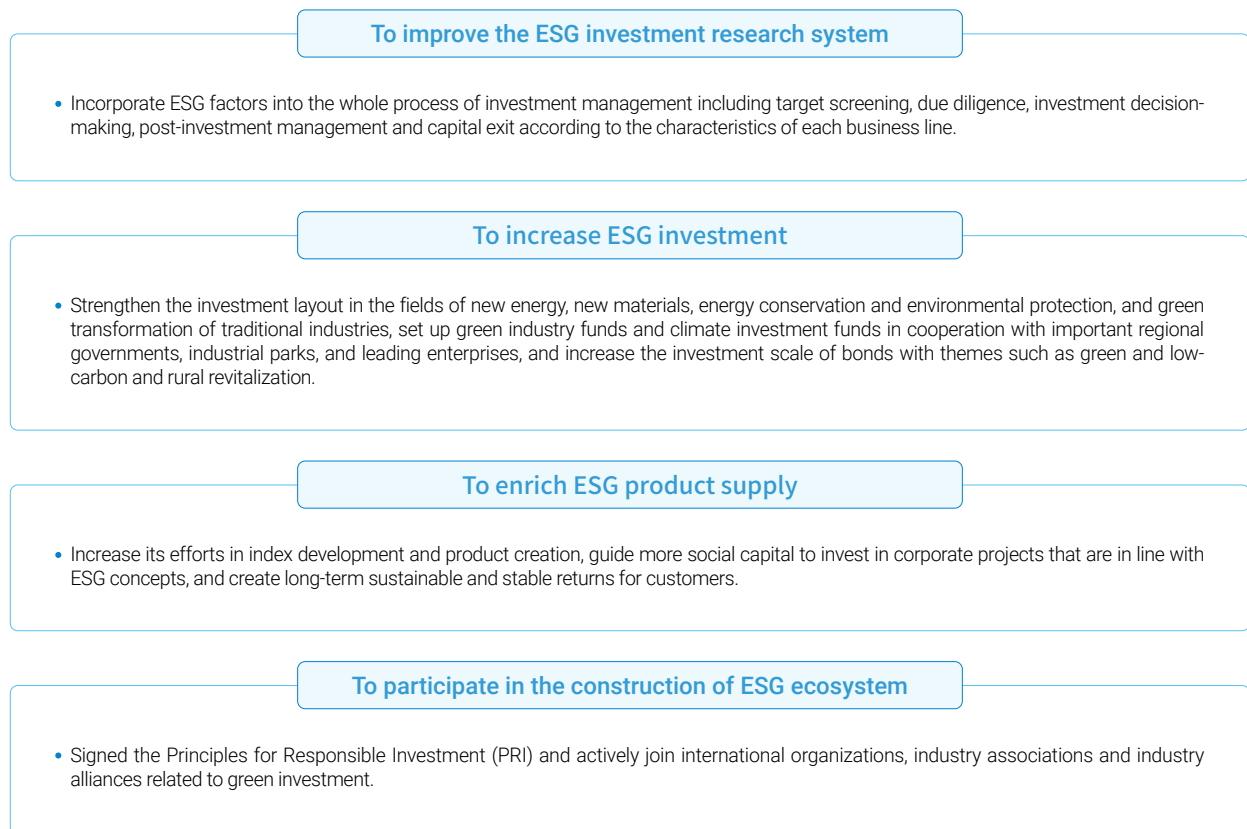
Guotai Junan actively participates in the construction of ESG investment ecosystem by joining the ESG investment industry alliance and participating in conferences and forums themed on ESG investment. On December 27, 2023, Guotai Junan formally signed the PRI (Principles for Responsible Investment) as a group and in the capacity of an "investment manager" and became a signatory to the PRI. In accordance with the relevant provisions of the PRI, subsidiaries of Guotai Junan obtained the status of PRI signatory through the Group, which means that the Guotai Junan Group, including its subsidiaries, will fully implement the

six principles of responsible investment and actively practice the strategy of responsible investment. Prior to this, HuaAn Funds, a subsidiary of Guotai Junan, has formally signed the PRI as an “investment manager” on May 15, 2023, and joined the “China Climate Engagement Initiative (CCEI)” as a founding member organization.

5.3.2 Strategy

As China’s economy and society entered a stage of high-quality development, the concept of ESG has increasingly become the consensus of all parties. Guotai Junan actively implements ESG concepts, promotes the integration of ESG factors into its investment management activities, and guides capital investment to ESG-compliant sectors of the real economy while generating sustainable investment returns. To this end, the *Action Plan for Comprehensively Improving the Green Financial Services Capability of Guotai Junan* clearly stated that the Company should accelerate the development of green investment service capabilities, improve the ESG investment research system, increase ESG investment, enrich ESG product supply, and participate in the construction of ESG ecosystem.

Table 5-7 Sustainable Investment Strategic Planning



5.3.3 Impacts, Risks and Opportunities Management

Relying on its well-established ESG governance structure, Guotai Junan continuously strengthened the construction of its ESG investment research team, and established a relatively complete ESG investment research system for various assets such as fixed income and equity. It comprehensively applies ESG investing strategies such as negative screening, positive screening, normative screening, ESG integration, thematic investing, impact investing and active ownership.

Table 5-8 Construction of ESG Investment and Research System

Departments	Asset Categories	ESG Investment Strategy	Construction of ESG Investment Research System
Fixed Income Foreign Exchange Commodity Department	Fixed income	Negative screening, positive screening, ESG integration	<ul style="list-style-type: none"> Developed an ESG evaluation system and established a bond ESG investment research system, formulated the <i>Administrative Measures for ESG Assessment of the Fixed Income Foreign Exchange Commodity Department</i>, and issued the <i>Notice on the Trial Operation of Incorporating ESG into the Investment Decision-making Process of the Fixed Income Foreign Exchange Commodity Department</i>, and clearly defined responsible parties and implementation process to ensure that ESG is fully integrated into the investment decision-making process.
Securities Derivatives Investment Department	Listed company stocks	Negative screening, ESG integration	<ul style="list-style-type: none"> Formulated the <i>Investment Research Framework for Listed Companies of the Securities Derivatives Investment Department (ESG)</i>, under which equity researchers should conduct regular ESG research on key investee companies to support the inclusion of ESG factors into the decision-making process of equity investment.
Interests and Customer Services Department	Listed company stock hedging	Negative screening	<ul style="list-style-type: none"> Incorporated ESG factors into the quotation decision-making process of OTC derivatives business.
Financial Products Department	Fund products	Thematic investing	<ul style="list-style-type: none"> Incorporated ESG factors into the evaluation system of public and private fund managers, formed an ESG evaluation and rating mechanism for managers, conducted regular evaluations, and established ESG-themed product labels to help investors to understand ESG-related theme information and related funds in a timely manner.
Asset Custody Department	Fund products	Thematic investing	<ul style="list-style-type: none"> Provided efficient and professional asset custody and operation outsourcing services for private equity funds, public equity funds, futures asset management and other clients to carry out green financial business.
Research Institute Department	Listed company stocks, fund products	Negative screening, ESG integration, thematic investing	<ul style="list-style-type: none"> Established an ESG research team at the Research Institute Department to conduct ESG investment research, established the Guotai Junan ESG rating system for listed companies and bond issuers, actively coordinated with relevant departments such as futures, investment banks and investment to provide customers with ESG ratings, ESG investment strategies, ESG index compilation, to create an ESG research brand with market influence.
Guotai Junan Zhengyu	Unlisted company equity, listed company stocks	Negative screening, positive screening, normative screening, ESG integration, thematic investing, impact investing, active ownership	<ul style="list-style-type: none"> Formulated the <i>ESG Risk Management Measures for Guotai Junan Zhengyu Investment</i> and the <i>Guotai Junan Zhengyu Investment Due Diligence Guidelines</i> to continuously expand the reserve of ESG investment targets, focusing on supporting high-quality projects related to new energy, new materials and green technologies.
Guotai Junan Innovation Investment	Unlisted company equity, private equity investment funds	Negative screening, positive screening, normative screening, ESG integration, thematic investing, impact investing, active ownership	<ul style="list-style-type: none"> Took ESG factors into consideration in the initial screening, due diligence and post-investment management of projects, formulated an industry screening mechanism, established an ESG negative list and an ESG investment evaluation system, focused on investing in projects that meet ESG standards, strengthened interaction and cooperation with outstanding GPs and industry leaders, and established a reserve of green industry projects.
Guotai Junan Asset Management	Listed company stocks, fixed income	Negative screening, positive screening, normative screening, ESG integration, thematic investing, active ownership	<ul style="list-style-type: none"> Revised the <i>Shanghai Guotai Junan Securities Asset Management Co., Ltd. Stock Pool Management Measures (Revision 1 of 2024)</i> to add the ESG priority screening principle. Formulated the <i>Regulations on the Administration of the Exercise of External Voting Rights on Behalf of Its Public Funds (Revision 1 of 2021)</i>, requiring fund managers to actively participate in shareholder voting on ESG-related matters and promote investment targets to improve ESG governance performance and information disclosure quality. Revised the <i>Shanghai Guotai Junan Securities Asset Management Co., Ltd. Credit Bond Investment Management Measures</i> to incorporate ESG factors into credit bond investment. added ESG labels such as "ESG negative issues" and "green bonds" in the internal rating system and do not invest in credit bonds with negative ESG issues.

Departments	Asset Categories	ESG Investment Strategy	Construction of ESG Investment Research System
HuaAn Funds	Listed company stocks, fixed income	Negative screening, positive screening, ESG integration, thematic investing, active ownership	<ul style="list-style-type: none"> Established an ESG organizational system, set up an ESG management committee and organized a cross-departmental ESG working group, formulated and published ESG systems such as the <i>Statement of Policy on Responsible Investment</i>, the <i>Policy on Responsible Investment of HuaAn Funds (2025)</i>, and the <i>Climate Change Management Framework of HuaAn Funds</i>. In terms of stock investment, built an ESG internal rating system, established a negative screening mechanism, formulated an exclusion list and a focus list, established an ESG risk early warning mechanism for stock and bond investment, and promoted the inclusion of ESG factors in investment decision-making and risk management processes. Actively exercised external voting rights and performed responsible management functions, published the <i>Statement on Exercise of External Voting Rights by HuaAn Funds Management Co., Ltd.</i>, and joined the "China Climate Engagement Initiative (CCEI)" as a founding member in 2023, and promoted investee companies to improve their capacity to respond to climate change through industry collaboration. HuaAn Funds officially signed the PRI (Principles for Responsible Investment) in 2023 and completed the first PRI transparency report in 2024; HuaAn Funds is also a TCFD (Task Force on Climate-related Financial Disclosures) support organization and ISSB (International Sustainability Standards Board) pioneer partner.
Guotai Junan Futures	Listed company stocks, fixed income, fund products	Negative screening, positive screening, ESG integration, thematic investing, active ownership	<ul style="list-style-type: none"> Formulated <i>Measures for the Administration of Private Equity Asset Management Products of the Asset Management Department of Guotai Junan Futures Co., Ltd. (Trial)</i>, revised the <i>Guidelines on the Operation of Investment of Own Funds of Guotai Junan Futures Co., Ltd. (Revised in 2023)</i> and the <i>Implementation Measures for the Investment Target Pool of Guotai Junan Futures Asset Management Department (Revised in 2024)</i>, to incorporate ESG factors into the evaluation of investment targets and the investment decision-making process. Incorporated ESG factors into the due diligence questionnaire on investment targets, evaluated whether product managers have systematically incorporate ESG factors into investment decisions, evaluated whether the proposed investment products have sustainable development characteristics, reported the ESG performance of investment targets to the investment decision-making committee for review, and continued to pay attention to the ESG performance of invested products.
Guotai Junan International	Unlisted company equity, listed company stocks, fixed income	Negative screening, positive screening, normative screening, ESG integration, thematic investing, impact investing, active ownership	<ul style="list-style-type: none"> Incorporated ESG into the risk management framework, formulated an ESG risk list and the <i>Climate Change Policy</i>, conducted ESG due diligence investigations, set a minimum ESG score threshold and implemented ESG negative screening in the investment and financing approval decision-making process of the Risk Management Department, while ESG factors have been fully integrated into the investment decision-making process of the Asset Management Department, Private Equity Management Department, and Transaction Investment Management Department.



Topic 5-12 Guotai Junan independently developed an ESG evaluation system and established an ESG investment research system for bonds

Guotai Junan has independently developed an ESG evaluation system covering 14 thousand domestic market entities, enabling visual presentation of the identification, assessment, monitoring and early warning of ESG features. The ESG evaluation system can provide support for investment managers and traders to carry out ESG investment by screening and integrating various types of ESG data, and can also help risk managers to monitor the ESG scores of investment targets in real time. With the strong support of the ESG evaluation system, the Company has established an ESG investment research system for bonds, integrating ESG factors into bond investment-related system construction, target screening, investment decision-making, risk management and other aspects, so as to build a comprehensive ESG investment management structure for bonds. It clarifies the responsible entities for ESG data procurement, model construction, model maintenance, investment research, and the specific management processes before, during and after investment.



Topic 5-13 HuaAn Funds built an internal ESG evaluation index system for stocks and continues to improve its ESG investment research and risk control mechanism

HuaAn Funds has established an ESG negative screening mechanism and an ESG risk early warning mechanism by procuring ESG data from external suppliers and embedding it into the Company's investment research platform, incorporating ESG factors into the whole process of investment decision-making and risk control. On this basis, using the sustainability reporting guidelines of the Shanghai, Shenzhen and Beijing stock exchanges as a blueprint, and with reference to the advanced practices of domestic and foreign ESG rating agencies, standard setting agencies, and financial institutions, HuaAn Funds has, taking into account the dual importance and emphasizing on financial importance, developed and constructed a general internal ESG rating indicator system covering all A-share listed companies, which reflects international standards as well as China's national conditions. In the future, based on the implementation situation, the Group will explore and develop industry-specific ESG indicators in a timely manner, and expand the ESG internal rating mechanism to cover bond investment and Hong Kong stock market investment.

Guotai Junan's research institute department is committed to forming its own ESG research system and a research brand with market influence. It cooperates with other business departments to provide comprehensive ESG and green finance research services for internal and external customers of the Company, contributing professional research capabilities to promote sustainable economic and social development.

Table 5-9 ESG Research Results of the Research Institute Department in 2024

Provide the market with systematic research products

- Closely track ESG-related policies and market trends at home and abroad, focus on topics such as green and low-carbon industries, ESG investment and financing, green finance and carbon finance, carry out in-depth research from the perspectives of policies, markets, industries and products, and form a systematic matrix of research reports. By 2024, the Institute will publish 51 articles on *Dual-Carbon Weekly Reports*, 12 articles on *ESG Weekly* and 8 articles on *ESG Industry Strategy*, helping clients and investors analyze ESG and sustainability-related issues to better address market risks and opportunities.
- Actively play the role of think tank, participate in the project, *Analysis of Shanghai's Economic Operation in 2024 and Planning of Economic Development in 2025*, commissioned by the Economic and Financial Committee of the Shanghai Municipal Committee of the Chinese People's Political Consultative Conference, provide decision-making consulting services to the Finance Office of Shanghai Municipal Party Committee and other regulatory departments, and complete projects such as the *Proposals for Implementing the Spirit of the Meeting of the Political Bureau of the Central Committee and Accelerating the Development of Shanghai as an International Financial Center*.

Strengthen internal research capabilities

- Assist Shanghai Advanced Institute of Finance, Shanghai Jiao Tong University in writing *Toward a Sustainable Development Path - 2024 Shanghai ESG Development Report*, which was officially released at the 4th ESG Global Leaders Conference in 2024, actively publicize the achievements of the Company's carbon finance business and help the Company's carbon finance business to expand its market influence and social awareness.
- Jointly conduct a research on the topic of *Enhancing the Inclusiveness, Adaptability and Competitiveness of the Capital Market System to Serve the Construction of New-Quality Gross Domestic Product* with the Investment Banking Department and Guotai Junan Innovation Investment, explore the policies, mechanisms and practices that need to be improved for the development of new quality productivity focusing on the core issue of the issuance and listing system, and provide research support for the relevant departments of the Company to expand their business.

Actively participate in ecological construction

- Successfully listed among New Fortune Magazine's Best ESG Practice Research Institution 2024.
- Set up an ESG sub-forum at the 2024 annual strategy meeting organized by the Research Institute Department, strengthening exchanges and cooperation with various intermediaries such as consulting firms, index firms, rating companies, and forensic firms, and jointly constructing an ESG research ecosystem to create an ESG brand with market influence.
- The project, *A Study on the Mechanisms and Incentive Measures of Carbon Emission Efficiency Gains and Losses Caused by Industrial Factor Allocation in Shandong Province under the Goal of "Dual Carbon"*, jointly applied with the School of Economics and Management, Harbin Engineering University, is selected as a "Philosophy and Social Science Research Projects of Shandong Higher Education Institutions".
- Co-organize the *Announcement and Forum of the Top 100 Competitive Listed Companies in China 2024-2025* with Antai School of Economics and Management of Shanghai Jiao Tong University and The Institute of Chinese Enterprises Development of Shanghai Jiao Tong University, to promote the concepts of core competitiveness and sustainable development of enterprises.

5.3.4 Indicators and Targets

In 2024, Guotai Junan incorporated ESG factors into the investment decision-making process, with the investment scale amounting to RMB1,020.907 billion, accounting for 82.26% of the total investment scale; introduced 787 ESG public funds for distribution, accounting for 74% of the total number of ESG public funds in the market, and the retained scale of ESG public funds reached RMB8.6 billion. By the end of 2024, Guotai Junan has issued a total of 12 ESG-themed public funds with a total scale of RMB10.552 billion; there are 13 green equity investment projects in operation, with an investment scale of RMB454 million; the scale of green bond investment was RMB18.802 billion, representing an increase of 19.28% from 2023; the green asset custody outsourcing scale (bilateral) was RMB9.973 billion, representing an increase of 173.91% from 2023.

5.4 Sustainable Financing

5.4.1 Governance

As an important part of the sustainable finance business, Guotai Junan has set up a cross-departmental working group on green financing under the ESG and Sustainable Development Committee of the Company. For the meetings of the ESG and Sustainable Development Committee, please refer to the section headed “ESG Governance Structure” in this report. The Green Financing Working Group, led by the Debt Financing Department and under the guidance of the ESG and Sustainable Development Committee of the Company, is responsible for coordinating and promoting the construction of the ESG financing system, providing customers with leading integrated services in sustainable financing, and promoting the development of green industries and the transformation of traditional industries. The relevant business departments have accelerated the construction of ESG financing systems according to their own needs, and some of them have been equipped with specialized green financing teams. For example, the Investment Banking Department of the Company has set up a business team specializing in serving clients in the new energy industry chain, such as photovoltaic, new energy automobiles, energy storage, wind power, and hydrogen energy, etc.

Focusing on the construction of a sustainable financing system, the Green Financing Working Group has strengthened the research and experience exchange on ESG financing models of leading domestic and overseas financial institutions, carefully summarized the advanced practices at home and abroad, and taken into account the actual situation of the Company's equity financing, debt financing, pledge financing and other businesses, in order to continuously promote the construction of a sustainable financing system. Since its establishment, the Green Finance Working Group has held six meetings, including three meetings in 2024, to study and discuss the its working plan, the optimization plan of the internal audit mechanism of ESG projects, and the implementation plan of climate-related disclosure.

5.4.2 Strategy

The national “dual-carbon” strategy provides financial institutions with broad business space to carry out sustainable financing. According to the *The First Biennial Transparency Report on Climate Change in the People's Republic of China* submitted by the Chinese government to the Secretariat of the *United Nations Framework Convention on Climate Change* in 2024, in order to achieve carbon peak and carbon neutrality, China's total capital demand from 2024 to 2030 will be approximately RMB25.2 trillion, with an average annual amount of approximately RMB3.6 trillion; the total capital demand from 2031 to 2060 will be approximately RMB243 trillion, with an average annual amount of approximately RMB8.1 trillion. In order to meet the financing needs of the development and growth of green industries and the transformation and upgrading of traditional industries, the *Action Plan for Implementing Peak Carbon Dioxide Emissions and Carbon Neutrality of Guotai Junan* clearly states that Guotai Junan must enhance its sustainable financing service capabilities, incorporate ESG into the financing business process, and increase the development of green equity financing and debt financing projects to help promote high-quality economic and social development.

Table 5-10 Sustainable Financing Strategic Plan

To improvement of financing business process

- Initiates ESG negative screening and due diligence on financing projects, use ESG performance as an important basis for determining the amounts, costs and terms of financing, establish a fast approval channel for green projects, and strengthen ESG management during the project's life cycle.

To step up efforts in equity financing

- Provide comprehensive investment banking services, such as IPO, refinancing, mergers and acquisitions, and restructuring, to support the development and growth of green industries and the transformation and upgrading of traditional industries, and actively develops green infrastructure public REITs business.

To increase the scale of bond underwriting

- Step up efforts to develop projects such as green bonds, social responsibility bonds, and green asset-backed securities (ABS), and increase the scale of bond underwriting.

5.4.3 Impacts, Risks and Opportunities Management

Guotai Junan fully leveraged its advantages as an integrated service platform to build a comprehensive sustainable financing system, which covers investment banking business lines such as stock issuance, financial advisory on merger and acquisition restructuring, bond issuance and asset securitization, and credit business lines such as stock pledge, margin financing and securities lending.

Table 5-11 Construction of Sustainable Financing System

Departments	Construction of Sustainable Financing System
Investment Banking Department	<ul style="list-style-type: none"> • Conducted ESG due diligence on IPO clients, disclose ESG performance in the prospectus, and guide capital to invest in high-quality companies with sustainable development characteristics; established a business team dedicated to serving customers in the new energy industry chain such as photovoltaics, new energy vehicles, energy storage, wind power, and hydrogen energy; established an ESG consulting business group and steadily carry out ESG consulting business. • In 2024, 17 ESG equity financing projects (including recommended listing on the NEEQ and private placements) with an underwriting scale of RMB8.577 billion was completed; and contracts was signed with 6 clients to provide them with ESG consulting services.
Debt Financing Department	<ul style="list-style-type: none"> • Improved the ESG negative screening and due diligence mechanism, provided assessment support for ESG debt financing projects, and formulated the <i>Memorandum on Optimizing the Internal Audit Mechanism for ESG Projects</i> such as Green Bonds to improve the internal review efficiency of ESG financing projects. • In 2024, we underwrote 85 green bonds with a total scale of RMB29.636 billion, ranking top three in the industry in terms of underwriting scale, and an issuance scale of RMB175.5 billion, of which 27 were carbon neutral bonds with a total scale of RMB7.749 billion, ranking fourth in the industry, and an issuance scale of RMB15.825 billion; 12 were sustainable-linked bonds with a total scale of RMB2.130 billion, ranking second in the industry; 2 were transformation bonds with a total scale of RMB2.55 billion, ranking fourth in the industry; and 14 were rural revitalization bonds with a total scale of RMB5.462 billion, ranking third in the industry.

Departments	Construction of Sustainable Financing System
Investment Banking Quality Control Department, Internal Audit Risk Management Department	<ul style="list-style-type: none"> Built an ESG risk management system for investment banking projects, implemented and optimized the internal review mechanism for ESG projects such as green bonds, improved the efficiency of project implementation, and added ESG green labels to relevant information systems.
Pledge Financing Department	<ul style="list-style-type: none"> Improved the pledge due diligence guidelines and report templates, established a special ESG assessment module for target securities, and completed the construction of the ESG extension model to form an ESG grading system for special pledge business, provided high-value project-specific evaluation metrics for project admission approval and post-loan risk management. Took green finance as "green channel" project, which carries its own "green label" from the outset of the need for financing. All process links are given priority to ensure the provision of high-quality and efficient services.
Securities Margin Trading Department	<ul style="list-style-type: none"> Included the ESG assessment of listed companies in the risk management and control of margin financing and securities lending business, and put the guaranteed securities of listed companies with low ESG ratings on the key risk watch list. Strictly implemented concentration management on securities with relevant risks. Conducted ESG assessments on listed companies for projects with restricted divestment and a credit line of more than 100 million yuan, paid close attention to the fulfillment of environmental protection and social responsibility of listed companies, and assessed whether listed companies comply with green finance requirements.
Guotai Junan Asset Management	<ul style="list-style-type: none"> As of the end of 2024, Guotai Junan Asset Management, as the programmer manager, issued a total of 37 ESG-related ABS products with ESG themes such as green, carbon neutrality and sustainability-linked, with a total scale of RMB43.588 billion, ranking first in the market in terms of number and third in terms of scale; among them, a total of 5 ESG-related ABS products such as green, carbon neutral, and sustainable linkage were issued in 2024, with a total scale of RMB4.791 billion. The underlying assets of the aforementioned products were mainly new energy power stations, new energy vehicle loans, green power generation equipment and facilities and other leasing assets under finance lease asset, or the proceeds from ABS projects may be continuously invested in ESG-related areas. In April 2024, as the public fund manager of Guotai Junan Dongjiu REIT, Guotai Junan Asset Management, released the <i>Guotai Junan Dongjiu New Economy</i> REIT ESG Report 2023, the first ESG report in the field of standard factory REITs in China.
HuaAn Funds	<ul style="list-style-type: none"> HuaAn Funds, as the fund manager, participated in 2 public green infrastructure REITs projects, namely the JA Solar Technology new energy REITs project (the proposed pool of assets are photovoltaic power generation assets with a total installed capacity of 315.425MW held by JA Solar Technology Co., Ltd.) and Energy Digital Technology energy storage REITs project (the proposed pool of assets are compressed gas storage and other energy storage assets held by China Energy Digital Technology Group Co., Ltd.).
Guotai Junan International	<ul style="list-style-type: none"> In terms of equity financing, in 2024, Guotai Junan International completed two green equity financing projects, including the H-share listing of Lopal Tech and the top-up placing of China Risun Group, with a financing scale of HK\$706 million. In terms of bond financing, Guotai Junan International participated in the issuance of 78 ESG-themed bonds in 2024, with an issuance scale of more than HK\$163.6 billion, including 35 green bonds with an issuance scale of approximately HK\$76.3 billion.



Topic 5-14 Guotai Junan assisted IM Motors to successfully complete its RMB 9.4 billion series B financing

On December 25, 2024, Zhiji Automotive Technology Co., Ltd ("IM Motors") successfully completed its Series B1 equity financing, with Guotai Junan acting as the financial advisor. With strong support from state-owned investment institutions and market-oriented investment entities, a total of RMB9.4 billion was raised, marking a perfect conclusion to the B round financing for IM Motors. The proceeds will be invested in the research and development of core technologies such as digital intelligent chassis, steering-by-wire and intelligent driving, injecting strong impetus for technological breakthroughs and accelerating the iterative launch of new products. As the financial advisor of this financing project, Guotai Junan played a key role in many aspects such as scheme design, roadshow promotion, due diligence, valuation and pricing, agreement negotiation, etc., helping IM Motors to successfully obtain this round of financing.



Topic 5-15 Guotai Junan assisted Guangzhou Environmental Investment Group's Grandtop Yongxing to be listed on the Shanghai Stock Exchange Main Board

On January 18, 2024, the initial public offering of the shares of Grandtop Yongxing Group Co., Ltd. ("Grandtop Yongxing") under Guangzhou Environmental Investment Group was officially listed on the Main Board of the Shanghai Stock Exchange, with Guotai Junan acting as the joint lead underwriter. The proceeds from the public offering of shares amounted to RMB2.43 billion, which were used for the phase II construction of the thermal power plant and its ancillary facilities to promote the development of circular economy. Grandtop Yongxing is the sole investor and operator of the waste incineration power generation project in Guangzhou. Since its establishment in 2009, it has been focusing on the waste incineration power generation business and gradually expanded the biomass treatment business. The company operates 14 waste-to-energy projects and 4 biomass treatment projects. The waste-to-energy projects have a capacity of 32,090 tons/day, and the biomass treatment projects have a capacity of 2,590 tons/day.



Topic 5-16 Guotai Junan assisted CCB to successfully issue RMB20 billion of green financial bonds

On October 23, 2024, Guotai Junan, as the lead underwriter and bookrunner, assisted China Construction Bank Co., Ltd. ("CCB") in the successful issuance of RMB20 billion green financial bonds in the national inter-bank bond market. The bonds have a maturity of 3 years and a coupon rate of 1.88%. All proceeds will be used for green industry projects specified in the *Green Bond Support Project Catalogue (2021 Edition)*. The proposed project is expected to realize carbon dioxide emission reduction of 2.72 million tons per year and save approximately 1.46 million tons of standard coal, bringing significant benefits to the environment. The project has received high attention and active subscription from market investors, demonstrating the high market recognition of CCB and the excellent green value mining ability of Guotai Junan, injecting strong green vitality into the bond market.



Topic 5-17 Guotai Junan assists BYD Auto Finance to issue RMB6.5 billion green auto loan ABS

On 23 May 2024, with Guotai Junan as the lead underwriter and bookrunner, the "BYD Dynasty 2024 Phase II Retail Auto Mortgage Loan Green Asset-backed Securities" ("BYD Dynasty 2024-2") was successfully issued in the inter-bank bond market. The current phase of the project is the second phase of asset-backed securities issued by BYD Auto Finance under the registered quota of RMB19 billion, with a total issuance scale of RMB6.5 billion, and the underlying assets are new energy vehicles. According to the green assessment, the underlying assets of this green auto loan ABS are expected to realize carbon dioxide emission reduction of approximately 104,700 tons per year and save approximately 73,500 tons of standard coal.



Topic 5-18 Guotai Junan assisted in the issuance of China's first non-public technological innovation "Belt and Road" low-carbon transformation corporate bond

On April 16, 2024, Lianyungang Industrial Investment Group Industrial Investment Co., Ltd. ("Lianyungang Industrial Investment"), with Guotai Junan as the exclusive lead underwriter, completed the bookkeeping work for its 2024 non-public technological innovation "Belt and Road" low-carbon transformation corporate bond (Phase I). The scale of the issuance was RMB300 million, with a maturity of 2+1 years and a coupon rate of 2.85%. This is China's first non-public technological innovation "Belt and Road" low-carbon transformation corporate bond. The funds raised from this bond issue will ultimately be used for equity investment in CNNC Suneng Nuclear Power Co., Ltd. The company is mainly responsible for the investment and construction management of Tianwan Nuclear Power Station Units 7 and 8 and ancillary projects. The Tianwan Nuclear Power Station Units 7 and 8 project is expected to reduce annual emissions of sulphur dioxide by approximately 129,300 tons and carbon dioxide by approximately 17.25 million tons.

5.4.4 Indicators and Targets

In 2024, Guotai Junan completed 17 green equity financing projects with an underwriting scale of RMB8.577 billion, including 10 equity financing projects in the new energy industry with an underwriting scale of RMB7.625 billion, and 2 IPO projects in the new energy industry with an underwriting scale of RMB1.628 billion. Guotai Junan underwrote 85 green bonds with an underwriting scale of RMB29.636 billion and an issuance scale of RMB175.5 billion, ranking among the top three in the industry in terms of green bonds underwriting scale, among which, 27 carbon-neutral bonds were underwritten with an underwriting scale of RMB7.749 billion and an issuance scale of RMB15.825 billion. Guotai Junan completed 21 ESG pledge financing projects, with a total financing scale of RMB3.352 billion. As the program manager, Guotai Junan Asset Management issued 5 green ABS products with a total scale of RMB4.791 billion.



▶▶ 06 Environmental Issues

6.1 Climate Response

Guotai Junan is fully aware of the possible impacts of climate change on the Company's operations and financial businesses. We have established a climate risk management system covering four aspects, including governance, strategies, impacts, risks and opportunities management, metrics and targets, in accordance with the recommended framework of the *International Financial Reporting Sustainability Disclosure Standard 2: Climate-related Disclosures (IFRS S2)* issued by the International Sustainability Standards Board ("ISSB") as well as that of the Stock Exchange and the Shanghai Stock Exchange, and conducted climate information disclosure.

6.1.1 Governance

In respect of the governance structure for climate-related issues, the Board of Directors and its Strategy Committee and ESG Committee are responsible for overseeing, deliberating and making decisions on the Company's strategy to address climate change and implementation thereof, as well as reviewing the annual sustainability report which contains contents related to climate response. The ESG and Sustainable Development Committee, chaired by the President of the Company, is responsible for coordinating the measures taken by the relevant departments to proactively respond to climate change. For the meetings of the ESG and Sustainable Development Committee, please refer to the section headed "ESG Governance Structure" in this report.

The Company's governance system for addressing climate change covers both its own operations and business operations. In terms of green operation, the Company has set up a Green Operation and Social Welfare Working Group under the ESG and Sustainable Development Committee, which is led by the executive office and is responsible for formulating the Company's green operation target plan and promoting the implementation thereof, including energy management, GHG emission management, water resources management, waste treatment, pollutant discharge and other aspects. In terms of business operation, the Company has set up the Investment Transaction Working Group, Green Financing Working Group and Risk Management Working Group under the ESG and Sustainable Development Committee to be responsible for the implementation of ESG and sustainable development concepts in investment and financing business and risk management activities. For relevant information, please refer to the "Sustainable Finance" section of this report.

6.1.2 Strategy

With the frequent occurrence of extreme weather, the physical risks and transition risks brought about by climate change have received more and more attention. Financial institutions must also actively analyze and respond to climate-related risks and opportunities. On the one hand, financial institutions are facing an increasingly stringent environmental regulatory policy environment. Natural disasters and changes in customer financial behavior will affect the security of financial assets and the development of financial institutions. On the other hand, the development and growth of the carbon finance market and the continuous expansion of demand for financial services such as green finance and transition finance have created new growth space for financial institutions.



Table 6-1 Analysis of Climate-Related Risks and Opportunities

Risks and Opportunities	Description of Risks and Opportunities	Impact Duration	Potential Impacts
Policy and legal risks	<ul style="list-style-type: none"> Climate-related laws, regulations, policies and measures have been successively introduced, and supervision has been continuously strengthened. In 2024, the Shanghai Stock Exchange and the Hong Kong Stock Exchange both issued information disclosure requirements for climate issues. The Company and its customers may be subject to legal liabilities according to law, regulatory measures, disciplinary penalties, property losses or business reputation losses due to non-compliance with climate-related policies or laws. 	Short-term, medium-term and long-term	<ul style="list-style-type: none"> Increase in operating costs Decrease in operating income Decrease in portfolio value
Market risk	<ul style="list-style-type: none"> Low-carbon transformation and green finance policies have led to changes in the market supply and demand structure. The Company's customers and investment targets may face operating risks such as falling product prices, rising raw material prices, and products failing to meet market demand, which in turn may lead to a decline in customers' solvency. 	Short-term, medium-term and long-term	<ul style="list-style-type: none"> Decrease in operating income Decrease in portfolio value
Acute physical risk	<ul style="list-style-type: none"> Extreme weather such as typhoons, floods, and droughts may affect the normal business activities of the Company, customers, and investment targets, resulting in damage to facilities and equipment and other property losses. 	Short-term	<ul style="list-style-type: none"> Increase in operating costs Decrease in operating income Decrease in portfolio value Depreciation of fixed assets
Chronic physical risk	<ul style="list-style-type: none"> Operating costs of the Company, its customers and investment targets may increase, and normal activities may be affected, resulting in property losses. 	Medium-term and long-term	<ul style="list-style-type: none"> Increase in operating costs Decrease in operating income Decrease in portfolio value
Market opportunity	<ul style="list-style-type: none"> Market demand for financial services such as carbon finance, green finance, and transition finance continues to increase, providing new business space for the Company, and the market value of investment targets may also be enhanced because they meet the requirements of green and low-carbon development. 	Short-term, medium-term and long-term	<ul style="list-style-type: none"> Increase in operating income Increase in portfolio value
Product and service opportunities	<ul style="list-style-type: none"> By providing sustainable financial services, the Company has increased green investment and financing, and increased the supply of ESG financial products, creating room for revenue growth for the Company. 	Short-term, medium-term and long-term	<ul style="list-style-type: none"> Increase in operating income Increase in portfolio value

Note: The term "impact duration" in the above table is defined with reference to the *Corporate Sustainability Disclosure Standards - Basic Standards (Trial)* jointly issued by nine ministries and commissions, including the Ministry of Finance, whereby "short-term" refers to 0-1 year (including 1 year) after the end of the reporting period; "medium-term" refers to 1-5 years (including 5 years) after the end of the reporting period; and "long-term" refers to more than 5 years after the end of the reporting period.

In order to address the above risks and opportunities, Guotai Junan formulated and implemented the *Action Plan for Implementing Carbon Peaking and Carbon Neutrality of Guotai Junan* and the *Action Plan for Comprehensively Improving the Green Financial Services Capability of Guotai Junan* in 2021 and 2023 respectively (see the "ESG Strategic Planning" section of this report for details), and is committed to building a complete sustainable financial business system while gradually reducing its own GHG emissions. In addition, the Company is studying the formulation of carbon neutral targets and roadmaps to further strengthen its strategic guidance and contribute more financial strength to the green and low-carbon development of the economy and society. The Company's Board of Directors and the Strategy and ESG Committee of the Board discuss and oversee the implementation of the Company's overall objectives and action plans for addressing climate change, and guide and urge the management to implement relevant objectives and action measures.

6.1.3 Impacts, Risks and Opportunities Management

Guotai Junan is committed to the comprehensive management of Scope 1, 2, and 3 GHG emissions, and adopts targeted measures to gradually reduce GHG emissions and minimizing the impact of the Company's business activities on climate changes. The Company systematically checked various sources of GHG emissions, comprehensively sorted out the scope of data statistics and collection methods, and adopted GHG emission accounting as one of the functions of the Company's self-developed ESG information management system, realizing the normalization of the Group's GHG emission statistics and its online presence. It provides strong data support for the Company to effectively manage Scope 1, 2, and 3 GHG emissions.

Table 6-2 Sources of GHG Emissions

Scope 1 GHG Emission Sources	Scope 2 GHG Emission Sources	Scope 3 GHG Emission Sources
<ul style="list-style-type: none"> Gasoline, natural gas and other energy consumed for business operations Gasoline and other energy consumed by self-owned transportation Natural gas and other energy consumed by own heating (cooling) equipment Air conditioning refrigerant consumption 	<ul style="list-style-type: none"> Purchased electricity consumed by business operations Purchased heat consumed by business operations 	<ul style="list-style-type: none"> Emissions from purchasing paper and other office supplies Emissions from waste treatment Emissions from the use of transportation and accommodation for business travel Emissions from the use of transportation by employees for commuting Emissions corresponding to investment and financing activities

After establishing its GHG emission statistics capability, Guotai Junan started to control and reduce GHG emissions from two aspects. On the one hand, it is to deepen green operations to achieve energy conservation and emission reduction effects, and on the other hand, it is to vigorously develop sustainable financial business to promote the green and low-carbon transformation of the Company's business.

In terms of green operations, Guotai Junan formulated and implemented the *Work Plan for Energy Saving and Carbon Reduction in Deepening Green Operations of Guotai Junan*, comprehensively analyzed the status quo and trends of the Group's GHG emissions, formulated and implemented a series of energy-saving and carbon-reduction measures, and achieved significant emission reduction results.

Table 6-3 Energy-saving and carbon-reducing measures and their effects in 2024

Launched the "Taking the Lead in Low-carbon Living and Great Tips for Green Operations" Golden Idea Collection Activity

- We collected optimization suggestions for green operations from the Group's employees for promotion and application, encouraging employees to actively practice the ESG concept in their daily work and life and take proactive actions to save energy and reduce emissions. A total of 2,827 employees put forward 3,462 suggestions.

Studied and formulated the Company's carbon neutral target and roadmap

- The Company is studying and formulating the timetable and roadmap for "operational carbon neutrality" and "value chain carbon neutrality", and carries out medium and long-term planning and all-round layout for the Company's energy conservation and emission reduction work.

Established a green operation assessment and incentive mechanism

- Incorporate green operations into the Company's 2024 administrative management work evaluation system, and set up special bonus points for energy conservation and carbon reduction.
- The administrative management work evaluation score will be included in the annual performance appraisal of each unit of the Company and will have a greater impact on the appraisal results.

Established a green data center

- Please refer to the "Energy Utilization" section of this report for the Company's work in promoting energy conservation and emission reduction in data centers.

Comprehensively implemented the refined management of energy consumption in office premises

- Shortening the lighting hours in the public areas of the Company's headquarters building, the "Guotai Junan Building", and the "Support Center", which can save more than 40,000 kWh of electricity per year.
- Replacing the air conditioning panels in the public areas of the Guotai Junan Building with timed and lockable panels, which can save 216,000 kWh of electricity every year; rationally set the activation time and temperature of the air-conditioning to further reduce electricity and air-conditioning refrigerant consumption.

Self-developed and built the "Carbon Master", a carbon credit system for Guotai Junan employees

- In order to promote the adoption of a green and low-carbon lifestyle among all employees, the Company has independently developed and launched on December 5, 2024 the "Carbon Master", a carbon credit system for Guotai Junan employees.

Promoting the construction of industry standards for "green outlets" of securities in Shanghai

- As a large securities company registered in Shanghai, the Company takes the initiative to play the role of industry exemplar, and cooperates with the Shanghai Green Building Council and the Shanghai Securities Association to formulate the evaluation standards for green outlets of securities firms in Shanghai.

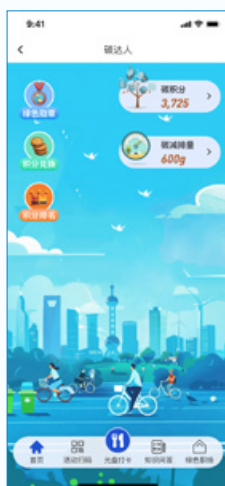
Commenced a feasibility study on photovoltaic construction at the data room building of the Support Center

- Commissioned a professional institution to conduct a feasibility study on the photovoltaic power generation project of the "Support Center" where the Company's data center is located, and formed a feasibility report on the rooftop-distributed photovoltaic power generation project of the Support Center.
- The evaluation results show that the existing building has problems such as insufficient sunlight, the roof load-bearing conditions cannot support the photovoltaic power generation project, and typhoon weather may affect safety. It is not feasible to build a photovoltaic power generation project at present.



Topic 6-1 "Carbon Master", an employee carbon credit system independently developed and built by Guotai Junan, went online

The carbon credit system "Carbon Master" independently developed and built by Guotai Junan officially went online on December 5, 2024. "Carbon Master" covers a total of 12 behavioral scenarios in five categories, including green workplace, green office, green travel, green public welfare, and green knowledge, covering all aspects of employees' office life. Every time an employee completes a required action, he or she can obtain corresponding carbon points, and the "Carbon Master" can automatically calculate the corresponding carbon emission reduction. The carbon credits accumulated by employees in their green office life can be exchanged for in-kind commodities such as signature agricultural products from counties that the Company is partnering with and helping, and they can also obtain low-carbon numerical medals, which will motivate employees to actively practice low-carbon behaviors and help the Company's sustainable development.



With respect to sustainable financial business, when carrying out investment and financing business, Guotai Junan systematically considers the physical risks and transformation risks associated with climate change, evaluates the impact that climate change may have on the normal operation of the Company, its customers and investment targets, and formulates risk countermeasures in advance. Each subsidiary also continues to promote climate-related risk management and identifies, analyzes and manages climate risks in investment and financing businesses. For the governance, strategy and progress related to sustainable financial business, please refer to the "Sustainable Financing" section of this report.

Table 6-4 Climate-related Risk Management Measures of Guotai Junan's Subsidiaries

Name of Subsidiary	Climate-Related Risk Management Measures
Guotai Junan Zhengyu	<ul style="list-style-type: none"> Take climate-related risk management as an important part of ESG risk management and due diligence, focus on analyzing this aspect during investment decision-making, and include quality projects with energy-saving and emission-reduction effects, such as new energy, new materials and green technologies, into the scope of key considerations.
Guotai Junan Innovation Investment	<ul style="list-style-type: none"> Formulated a clear vision for climate-sustainable investment, set up a dedicated climate research team within the ESG research team to regularly review and update the climate risk management system, and be responsible for implementing the climate risk management plan. Incorporated special climate risk due diligence procedures into investment business due diligence to fully assess the vulnerability of investment targets to climate change and the effectiveness of countermeasures.

Name of Subsidiary	Climate-Related Risk Management Measures
Guotai Junan Asset Management	<ul style="list-style-type: none"> In the selection of stock and bond investment targets, climate-related risks of investment targets are considered as an important screening factor, giving priority to investing in stocks and green bonds in green-related industries, and actively participating in shareholder voting on ESG issues to promote investment targets to address climate-related risks.
HuaAn Funds	<ul style="list-style-type: none"> Formulated and released the <i>Climate Change Management Framework of HuaAn Funds</i>, which established a climate risk management system in accordance with the four-pillar framework recommended by the Shanghai, Shenzhen and Beijing Stock Exchange and ISSB, identified nine major climate categories that have a substantial impact on investment business and daily operations, set up 12 monitoring indicators in terms of green investment and green operation, and proposed a series of management goals and actions.
Guotai Junan Futures	<ul style="list-style-type: none"> Integrated climate risk management into the Company's comprehensive risk management system and established a multi-level, interconnected, and effective check-and-balance operating mechanism. Continue to pay attention to climate and environment-related policies, laws and regulations, gather information on climate-related regulatory requirements and market trends, analyze and identify different types of climate-related risks and their impact, and conduct classification management through measures such as quota control, risk hedging, and risk diversification.
Guotai Junan International	<ul style="list-style-type: none"> Formulated and implemented corresponding management and monitoring measures for the fund business according to the climate risk management requirements of SFC, formulated climate-related risk management policies, objectives and strategies, and updates climate-related risk management policies on a regular basis. By using climate-related risk data and scoring of investee companies by international rating agencies, the asset management business team makes timely adjustments on investment targets with significant deterioration in climate-related risks, and strives to minimize the adverse effects of climate change on its investment business.

In order to manage climate-related risks and opportunities more effectively, the Company is stepping up efforts to establish emission accounting capabilities that can cover all investment and financing activities. On this basis, it will further carry out quantitative management of climate risks in the future and provide customers with low-carbon financial products and services that can be measured in terms of GHG emissions.

6.1.4 Indicators and Targets

In order to respond to climate change, Guotai Junan has established a series of indicator systems with Scope 1, 2, and 3 GHG emissions as final indicators. This system covers both the Company's own operations and sustainable financial business. It not only measures the GHG emissions caused by the consumption of resources and energy in the Company's operations, but also counts the GHG emissions corresponding to the Company's investment and financing business. Judging from the current statistical capabilities, the Company is able to compile comprehensive statistics on Scope 1 and Scope 2 GHG emissions, and incomplete statistics on Scope 3 GHG emissions related to employee travel, employee commuting, investment and financing operations, waste disposal, water consumption, and paper consumption. The Company is stepping up efforts to improve the Scope 3 GHG emissions accounting system, and strives to form comprehensive statistical capabilities for Scope 3 GHG emissions by 2025.

At the beginning of 2024, Guotai Junan formulated the group's overall GHG emissions control target, i.e., a reduction target of 2% and 3% in the Group's GHG emissions per unit area (Scope 1 + Scope 2) in 2024 and 2025, respectively, compared with 2023. In 2024, Guotai Junan Group's GHG emissions (Scope 1 + Scope 2) were 45,158.45 tCO₂e, a decrease of 3.94% from 2023; GHG emissions per unit area (Scope 1 + Scope 2) were 93.06 kgCO₂e/sq.m., a decrease of 8.04% from 2023. In addition to the above short-term goals, Guotai Junan is studying and formulating a timetable and roadmap for "operational carbon neutrality" and "value chain carbon neutrality", and carrying out medium- and long-term planning and all-round layout for the Company's energy conservation and emission reduction work. In 2024,

Guotai Junan International successfully offset its 2023 GHG emissions by subscribing to carbon sink assets from the VCS forestry project, achieving "operational carbon neutrality" for the second consecutive year.

Table 6-5 GHG Emission Indicators

Indicators	Unit	2022	2023 ¹	2024
Scope 1 GHG emissions ²	tCO ₂ e	2,109.56	5,347.64	3,666.11
Scope 2 GHG emissions ³	tCO ₂ e	37,486.04	41,665.27	41,492.34
Total GHG emissions (Scope 1 + 2)	tCO ₂ e	39,595.60	47,012.91	45,158.45
Per capita GHG emissions (Scope 1 + 2)	kgCO ₂ e/person	2,732.24	3,116.33	3,109.44
GHG emissions per unit area (Scope 1 + 2)	kgCO ₂ e/m ²	85.11	101.20	93.06

Note 1: the values of indicators in 2023 were corrected as some branches calibrated their data.

Note 2: Scope 1 GHG emissions include GHG emissions from energy sources such as diesel, gasoline and natural gas consumed in business offices, self-owned transportation means and self-owned heating (cooling) equipments, etc., as well as GHG emissions corresponding to air-conditioning refrigerants consumed in the Company's business offices. The GHG emission factors corresponding to diesel, gasoline, and natural gas are based on the low-level calorific value of diesel, gasoline, and natural gas stated in Appendix A: *Default Values of Commonly Used Fossil Fuel-Related Parameters* of the Ministry of Ecology and Environment's *Guidelines on Accounting Methods and Reporting of Greenhouse Gas Emissions by Enterprises for Electric Power Generation Facilities*. The GHG emission factors for air-conditioning refrigerants were calculated using the 100-year GTP values from the *United Nations Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report, Working Group I Report "Climate Change 2013: The Physical Science Basis", Chapter 8, Anthropogenic and Natural Radiative Forcing, Appendix 8.A, Lifetimes, Radiative Efficiency and Metric Values*.

Note 3: Scope 2 GHG emissions include GHG emissions from purchased electricity and municipal heating. the GHG emission factor for purchased electricity in 2022 and 2023 uses the figure of 0.5703 kgCO₂/kWh in the *Notice on Doing a Good Job in Managing the Reporting of Greenhouse Gas Emissions by Enterprises of Power Generation Industry in 2023-2025* issued by the Ministry of Ecology and Environment, and the GHG emission factor for purchased electricity in 2024 uses the figure of 0.5366 kgCO₂/kWh in the *Announcement on Issuing the CO₂ Emission Factor for Electricity in 2022* issued by the Ministry of Ecology and Environment and the National Bureau of Statistics. The GHG emission factor corresponding to municipal heating is 37 kgCO₂/m² calculated based on the carbon emissions corresponding to heating in the north and the urban heating area in the *China Building Energy Conservation Annual Development Research Report 2020* by the Building Energy Conservation Research Center of Tsinghua University.

6.2 Energy utilization

Guotai Junan strictly abides by the *Environmental Protection Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China* and other laws and regulations, actively responds to national policy on energy conservation and emission reduction, contributes to the achievement of carbon peaking and carbon neutrality, promotes energy conservation and emission reduction measures, and effectively improves the Company's energy management level. The Company has never been penalized for its energy use, nor has it been subject to any complaints.

The Company continued to optimize its energy management system, improve building energy management system, revised management policies and rules such as the *Annual Management Plan and Strategy*, the *Record Form for Implementation of Management Plan*, the *Boiler Equipment Maintenance Management Policy*, the *Safe Operation Procedures for Central Air Conditioning Units*, and the *Updating Plan for Obsolete Equipment*, and set up an energy conservation leading group to further clarify energy management responsibilities. As a financial enterprise, Guotai Junan's energy consumption mainly comes from electricity consumed during office operations, natural gas, and gasoline used by self-owned vehicles, diesel consumed by backup generators, and municipal central heating in winter, among which electricity consumed in daily office operations constitutes the main part of the Company's energy utilization.

In order to reduce energy consumption as much as possible, Guotai Junan has adopted a series of measures in energy utilization, which include two aspects. On the one hand, we fully implemented the refined management of energy

consumption in office premises, and started to adopt such measures in a large number of energy-saving nodes, such as computers, lighting and air-conditioning, so that small quantities would add up to a large number, as grains of sand piled up to become a tower, such efforts could accumulate into significant energy savings. On the other hand, it is to carry out energy-saving renovation of the data center, which is the main energy-consuming unit, to improve its energy utilization efficiency, so as to build an energy-saving and efficient green data center. In order to ensure the implementation of the above measures, the Company not only established an energy-saving assessment mechanism by setting special energy-saving assessment indicators, but also strengthened the green and low-carbon awareness and enhanced the green and low-carbon culture of the Company's employees through the formulation of green and low-carbon initiatives and the organization of green and low-carbon knowledge training. For example, in June 2023, the Company issued Guotai Junan Securities' proposal calling for "Green Office and Low-carbon Lifestyle", and in recent years, it has launched various energy-saving and carbon reduction activities such as training seminars and volunteer practices.

Table 6-6 Measures for Refined Management of Energy Consumption in Offices

Office computers

- Equip employees with laptop computers, which are more energy-efficient than desktop computers.
- Guide employees to turn off their computers after work, incorporate the behavior of turning off computers into employee carbon credit system management, and provide carbon credit incentives.
- Try to use energy-saving mode for office computers as much as possible, set screen brightness appropriately, and shorten the time when the screen automatically turns off and the computer automatically goes to sleep.

Lighting

- Energy-saving light bulbs are preferred. Energy-saving lamps are already used throughout the office space, and lamps with higher energy-efficiency will be used in the future.
- Do not turn on lights in unoccupied areas of the office, do not turn on useless lights, and use natural light as much as possible during the day.
- Called on staff to turn off office lights at the end of their working hours, and at the same time arranged for inspectors to turn off the lights in time to eliminate the phenomenon of the "ever-shining lamp".
- Shorten the lighting time in public areas. The lighting time of the Company's headquarter building, Guotai Junan Building, is set at 7:30-18:30, which is expected to save 38,000 kWh of electricity per year; the lighting time of the Company's Support Center is set at 8:00-18:30, which can save 4,380 kWh of electricity per year.

Air conditioners

- Replacing the air-conditioning panels in the common areas of the Guotai Junan Building with timed and lockable key panels can save 216,000 kWh of electricity per year.
- Set the air-conditioning temperature to 26-28°C in summer and 16-24°C in winter, and at the same time determine the air-conditioning start-up time reasonably, so as to reduce the consumption of electricity and air-conditioning refrigerant.
- Not to turn on air-conditioning when no one is in the room, and not to open doors or windows when air conditioning is on.

Elevators

- Promote the use of staircases within 3 floors for employees to save energy and keep fit at the same time.
- The elevators in the headquarters office building are divided into odd-floor stops and even-floor stops to improve the efficiency of elevator use.
- If a wrong floor is pressed during an elevator ride, promptly cancel the incorrect floor selection.

Electronic conference screens

- Set to automatic shutdown mode to prevent the screen from staying on for long periods of time.

Printers

- Set to automatically enter energy saving mode to reduce standby energy consumption.

Vehicles

- Timely phasing out of old office vehicles that do not meet the energy-saving and environmental protection standards, and all newly procured vehicles must, in principle, use new energy vehicles.
- Promote energy-efficient and low-carbon travel by encouraging staff to choose energy-efficient and low-carbon transportation modes such as walking, cycling or taking public transport.
- Promote the "1-3-5" green commute approach, i.e. walking within 1 km, cycling within 3 km, and public transportation within 5 km.
- Recommends employees to use low emission or new energy vehicles for traveling.

Canteen kitchenware

- Turn off natural gas and hoods in a timely manner when finished using the cooktop.
- Clean water boilers, dishwashers, hoods, and other kitchen equipment in a timely manner.
- Set the refrigerator temperature appropriately.

Office buildings

- Guides and encourages branch business outlets to give priority to leasing venues that meet the national green building standards, and to give priority to choosing green, energy-saving and environmentally friendly building materials and electrical appliances.

As the core infrastructure to support the Company's business, data centers play a vital role and are also the main part of Guotai Junan's energy consumption. The Company has a total of four data centers, including one self-owned data center and three leased data centers, and has constructed a "two-location, four-center" disaster recovery model with the Kayuan data center as the main facility, the Jinqiao data center and the Waigaoqiao data center as same-city multi-active centers, and the Southern Center as an off-site application-level disaster recovery center.

While ensuring the security and processing capacity of its data centers with high standards, Guotai Junan gives priority to leasing energy-efficient data center services and actively applies green energy-saving technologies and improves the efficiency of energy use in the construction of its own data centers, thus continuing to promote the construction of green data centers. The Company's self-owned data center was completed and in operation in 2014, adopting high-density cold aisle closure, dual-channel centralized water-cooling, plate-type natural cooling, and waste heat recovery and other technologies to carry out functional design and optimization so as to achieve high efficiency and energy conservation. As a result, it was recognized as 2014 China Excellent Data Center and received the internationally recognized Green Building gold-level certification. In recent years, the Company has conducted in-depth research on the actual operation of its own data center infrastructure, intensified the energy-saving renovation of some older equipment with lower energy efficiency, and set targets for the energy efficiency management of its own data centers, requesting that the PUE (Power Utilization Efficiency) value of the Company's own data centers be reduced to 1.82, 1.79, and 1.75 year by year during the period from 2023 to 2025. In 2024, the Company invested RMB613,000 in energy-saving renovation of its own data center, and the PUE value of its own data center was reduced to 1.71, which achieved the set target and decreased for five consecutive years.

Table 6-7 Energy Saving Retrofit Measures and Results of the Self-owned Data Center

Energy-saving Retrofit Measures for Self-owned Data Centres in 2024	Electricity saving in 2024
Strengthen the construction of cloud platform and increase the proportion of server virtualization	5.05 million kWh
Renovation and optimization of local hot spots in the data center room, and closed cold aisles of some cabinets	80 thousand kWh
Appropriately increase the operating temperature of the data center room	2 million kWh
Reduce the operating air volume of data center rooms, adjust air conditioning control logic and group control strategy	100 thousand kWh
In-depth inspection of data center infrastructure and replacement of outdated equipment	20 thousand kWh
Total	7.25 million kWh

Table 6-8 Basic Information of Data Centers

Data Center Name	Nature of the Data Centre	Data Center Introduction	PUE value in 2024
Kayuan Data Center	Self-owned data center	Located at No. 685 Lai'an Road, Pudong New Area, it is the first self-built high-grade data centre in the domestic securities industry.	1.71
Jinqiao Data Center	Leased data center	Located in the Jinqiao Data Center Park of Shanghai Stock Exchange at No. 399, Longhu Road, Pudong New District, Shanghai, it serves as a same-city multi-active disaster recovery environment.	1.51
Waigaoqiao Data Center	Leased data center	Located at the Securities Technology Building, No. 1 Huajing Road, Waigaoqiao Free Trade Zone, Pudong New Area, Shanghai, it serves as a same-city multi-active disaster recovery environment.	1.98
Southern Data Center	Leased data center	Located in the Shenzhen Securities Communication Southern Information Technology Center Park, Dongguan City, Guangdong Province, it serves as an off-site multi-active disaster recovery center.	1.33

In 2024, the Development and Reform Commission of Jing'an District, Shanghai, where the headquarters of Guotai Junan is located, set a 2024 energy consumption "dual control" target for Guotai Junan's headquarters department in Shanghai and its Shanghai branch in accordance with the requirements of the *Notice on Organizing and Launching the Work of Shanghai Key Units in 2023 on Submitting Energy Utilization Status Report and Greenhouse Gas Emission Report, and Evaluating and Assessing the Targets of Dual-control of Energy Consumption Intensity and Aggregate Quantity* (Hu Fa Gai Huan Zi [2024] No. 31) and the *Notice on Announcing the List of Key Energy Consuming Units in Jing'an District in 2024 and Strengthening Energy Saving and Carbon Reduction Efforts* (Jing Fa Gai Wei [2024] No. 3), that is, in 2024, the total energy consumption of Guotai Junan's headquarters department in Shanghai and its Shanghai branch shall not exceed 14,488.43 tons of standard coal, and the energy consumption per unit of building area shall not exceed 0.0885 tons of standard coal per square meter. Through the refined management of office energy consumption and construction of green data centers, the total energy consumption of Guotai Junan's headquarters department in Shanghai and its Shanghai branch will be 14,694.48 tons of standard coal, and the energy consumption per unit of building area will be 0.0877 tons of standard coal per square meter in 2024. The total energy consumption is slightly higher than the set target, and the energy consumption per unit of building area has achieved the set target. Under the guidance of the Development and Reform Commission of Shanghai Jing'an District, the company will adopt the method of purchasing green power certificates to achieve the goal of "dual control" of energy consumption.

Table 6-9 Energy Consumption Control Targets

Energy Consumption Control Indicators	2024 Target	2024 Target Completion Status
Total energy consumption of Guotai Junan's headquarters and branches in Shanghai	No more than 14,488.43 tons of standard coal	14,694.48 tons of standard coal
Energy consumption per gross floor area by unit of Guotai Junan's headquarters and branches in Shanghai	No more than 0.0885 tons of standard coal per square meter	0.0877 tons of standard coal per square meter

Table 6-10 Energy Consumption Indicators

Indicators	Unit	2022	2023 ¹	2024
Total diesel consumption	Liter	---	5,618.00	7,424.12
Total gasoline consumption	Liter	---	644,265.12	553,538.00
Natural gas consumption	Cu.m.	234,287.54	290,580.00	307,067.00
Total power consumption	kWh	66,376,550.90	69,055,251.65	73,666,861.58
Diesel consumption per unit area	Liter/sq.m.	---	0.0121	0.0153
Gasoline consumption per unit area	Liter/sq.m.	---	1.39	1.14
Natural gas consumption per unit area	Cu.m./sq.m.	0.50	0.63	0.63
Electricity consumption per unit area	kWh/sq.m.	142.68	148.65	151.82
Diesel consumption per capita	Liter/employee	---	0.37	0.51
Gasoline consumption per capita	Liter/employee	---	42.71	38.11
Natural gas consumption per capita	Cu.m./employee	16.17	19.26	21.14

Indicators	Unit	2022	2023 ¹	2024
Electricity consumption per capita	kWh/employee	4,580.22	4,577.44	5,072.43
Total energy consumption ²	tons of standard coal	---	22,452.94	23,693.21
Energy consumption per unit area	kg of standard coal /sq.m.	---	48.33	48.83
Energy consumption per capita	kg of standard coal / employee	---	1,488.33	1,631.43
Diesel energy consumption ³	tons of standard coal	---	6.88	9.09
Gasoline energy consumption ³	tons of standard coal	---	692.02	594.57
Natural gas energy consumption ³	tons of standard coal	---	386.47	408.40
Electricity energy consumption ⁴	tons of standard coal	---	20,820.16	22,210.56
Municipal heating energy consumption ⁵	tons of standard coal	---	547.41	470.59
Direct energy consumption ⁶	tons of standard coal	---	1,085.37	1,012.06
Indirect energy consumption ⁷	tons of standard coal	---	21,367.57	22,681.15
Clean energy usage ⁸	MWh	---	3,144.59	3,323.03
Natural gas usage ratio ⁹	%	---	1.72	1.72

Note 1: Among the indicators in 2023, except for three indicators, namely natural gas consumption, natural gas consumption per unit area, and per capita natural gas consumption, the values of the remaining indicators were corrected because some branches calibrated their data.

Note 2: Total energy consumption = diesel energy consumption + gasoline energy consumption + natural gas energy consumption + electricity energy consumption + municipal heating energy consumption.

Note 3: The coefficients for converting diesel, gasoline and natural gas into standard coal use, respectively, the conversion coefficients of diesel, gasoline and natural gas as set out in Appendix A.1: Coefficient of Standard Coal Conversion of Various Energy of National Standard GB/T 2589-2020, General Rules for Calculation of Comprehensive Energy Consumption.

Note 4: The coefficients for converting electricity into standard coal use the standard coal consumption for electricity supplied by plants of 6,000 kilowatts and above, as set out in the 2022 Statistics of National Power Industry Released by the National Energy Administration.

Note 5: The coefficient for converting municipal heating to standard coal is calculated by using the Beijing Municipal Binding Value of 0.26 GJ/(m²-a) in Table 6.3.1 of National Standard GB/T 51161-2016, Standards for Energy Consumption of Building, and combining it with the low level heat output of 29.3076 GJ/t of standard coal to get the energy consumption value for one heating period (year).

Note 6: Direct energy consumption = diesel energy consumption + gasoline energy consumption + natural gas energy consumption.

Note 7: Indirect energy consumption = electricity energy consumption + municipal heating energy consumption.

Note 8: Clean energy usage = natural gas energy consumption/standard coal conversion coefficient for electricity (equivalent value)/1,000, where the standard coal conversion coefficient for electricity (equivalent value) is calculated using the conversion coefficient for electricity (equivalent value) as set out in Appendix A.2: Coefficients for the Conversion of Electricity and Heat into Standard Coal (Reference Values) of National Standard GB/T 2589-2020, General Rules for Calculation of Comprehensive Energy Consumption.

Note 9: Natural gas usage ratio = natural gas energy consumption/total energy consumption.

6.3 Water Resources Utilization

Guotai Junan attaches great importance to water resources management, actively responds to the national call for water conservation and strictly complies with relevant laws, regulations, and management standards such as the *Administrative Measures of Shanghai on Water Conservation* to ensure effective water management during office operation. The Company's water consumption is mainly used for daily operations and office use, and municipal water is the main source of water for the Company. The Company does not draw water from drought-scarce regions and protected water sources, and does not negatively affect the water use of local residents and the ecological environment. The Company has never been penalized for its water use nor has it been subject to any complaints.

In order to further improve the quality and efficiency of the Company's water resources management, Guotai Junan set a water conservation target to "reduce per capita water consumption year by year from 2023 to 2025", and actively taken corresponding water-saving measures to improve water resource utilization and reduce water resource consumption by strengthening water-using equipment management and doing a good job in promoting water conservation advocacy and education. In 2024, the total water consumption of Guotai Junan Group was 202,181.12 cubic meters, the water consumption per unit area was 0.42 cubic meters/square meter, and the per capita water consumption was 13.92 cubic meters/employee. The per capita water consumption has been declining year by year since 2021.

Table 6-11 Water Conservation Initiatives

Strengthen the management of water equipment

- Eliminate non-water-saving sanitary ware and install water conservation facilities to reduce water consumption at source.
- Strengthen the daily maintenance of water-consuming equipment, and regularly overhaul water-consuming equipment and pipeline valves to prevent leakage.
- Use water-saving direct drinking water machines to provide daily drinking water for customers and employees instead of bottled water.
- Use 330mL small bottles of mineral water in important meetings.

Promote and educate on water conservation

- Post water-saving signs to strengthen employees' awareness of water conservation and encourage them to save water.
- Carry out publicity and education on water resource protection and guide employees to actively participate in water conservation actions.

Table 6-12 Water Consumption Targets

Indicators	Unit	2022	2023	2024
Total water consumption	Cu.m.	237,466.20	234,953.01	202,181.12
Water consumption per unit area	Cu.m./sq.m.	0.51	0.51	0.42
Water consumption per capita	Cu.m./employee	16.39	15.57	13.92

Note: the values of indicators in 2023 were corrected as some branches calibrated their data.

6.4 Waste Treatment

Guotai Junan strictly complies with the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, takes proactive measures to optimize and manage waste discharge, reduces the generation of both non-hazardous and hazardous waste to a low level, and strives to minimize the environmental impact of various waste discharges. The Company has never been penalized for the disposal of waste, nor has it experienced any complaints.

As a financial enterprise, the Company's non-hazardous wastes are mainly domestic garbage, kitchen garbage, waste paper and toner cartridges, and its hazardous wastes are mainly electronic waste. The Company continues to improve

the waste management system and standardise the treatment methods of different types of waste. Non-hazardous wastes such as waste paper, household waste and kitchen garbage are collected and processed by the property management unit, toner cartridges are recycled by manufacturers, and hazardous waste such as electronic waste is entrusted to units with electronic waste management qualifications for recycling and treatment. Through advocacy and education, the Company calls on employees to save paper, reduce printing, and implement environmental protection measures such as the "Clean Plate Campaign" and garbage sorting to reduce waste generation and promote resource recycling. In 2024, Guotai Junan invested RMB366,000 in waste treatment.

Table 6-13 Waste Management Initiatives

<p>Domestic garbage disposal</p> <ul style="list-style-type: none"> Place classified trash bins and implement a garbage classification and recycling system. 	<p>Paperless office</p> <ul style="list-style-type: none"> In-depth promotion of the construction of a "fully-connected" digital office platform, the approval process has been fully online, fully replacing the circulation of paper documents and the use of signatures in the approval process. Provide digital office tools such as online meetings, smart calendars, online questionnaires, and smart document comparisons. Strengthen the Company's digital media construction, realizing full online, multi-terminal and real-time access to the Company's news. Establish an online training platform, holding the vast majority of training activities online, replacing traditional paper-based or offline training activities. Equip meeting rooms with electronic screens, projection equipment and tablet computers, and do not use paper meeting materials for offline meetings. Employees are encouraged to use electronic business cards, and in principle, no paper business card printing service is provided.
<p>Kitchen garbage disposal</p> <ul style="list-style-type: none"> Establish a special management system for the disposal of kitchen garbage and waste grease, and do a good job in quantitative statistics on kitchen garbage. No disposable tableware will be provided, and employees are encouraged to bring their own dishes. 	
<p>Toner cartridge disposal</p> <ul style="list-style-type: none"> Recycling by the manufacturer. 	
<p>Electronic waste disposal</p> <ul style="list-style-type: none"> Entrust an entity with e-waste management qualifications for recycling. 	
<p>Publicity and training</p> <ul style="list-style-type: none"> Vigorously advocate the "Clean Plate" campaign and set up food-saving signs in employee dining areas. Carry out publicity and training activities on topics related to garbage classification and waste recycling and disposal to enhance employees' awareness and skills in waste management. 	<p>Printer management</p> <ul style="list-style-type: none"> Strictly manage printer usage rights, record the amount of paper used by each employee, and incorporate the amount of paper used into the employee carbon credit system. Use relatively thin 75GSM printing paper. Double-sided and black-and-white printing is mandatory for daily printing. Single-sided printing and color printing are concentrated in specific print rooms. Place a waste paper recycling bin next to the printer.

Table 6-14 Waste Indicators

Indicators		Unit	2022	2023	2024
Non-hazardous waste	Total ¹	Tons	652.55 ²	1,609.96	1,874.24
	Per capita	Tons/employee	0.05 ²	0.11	0.13
	Domestic garbage	Tons	400.00	910.19	911.46
	Kitchen garbage	Tons	250.00	608.62	893.48
	Waste paper	Tons	2.40	88.63	66.90
	Toner Cartridge	Piece	250	4,191	4,020
Hazardous waste	Total ³	kg	--	2,138.00	546.00
	Per capita	kg/employee	--	0.14	0.04
	electronic waste	Piece	--	1,069	273

Note 1: Toner cartridges are calculated at 0.6 kg each.

Note 2: The relevant data have been corrected.

Note 3: E-waste is calculated at 2 kg each.

6.5 Pollutants Emission

Guotai Junan strictly abides by the *Water Pollution Prevention and Control Law of the People's Republic of China* and other laws and regulations, and actively adopts pollutant emission management measures. It has never been penalized for pollutant emissions and has not encountered any complaints. The Company is in the financial services industry. The pollutants are mainly domestic wastewater generated from office buildings. It does not directly produce other pollutants such as air pollution, soil pollution, and noise pollution. The Company commissioned a qualified third-party organization to conduct testing on wastewater, exhaust gas and noise in the headquarters office, and all tests are in compliance with national standards. The Company controls the density of discharged wastewater in strict accordance with the *Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T31962-2015)*. The domestic wastewater generated by daily office work is included in the municipal domestic sewage unified collection system and treated by the municipal sewage treatment plant before being discharged in compliance with the standards. In 2024, Guotai Junan invested RMB11,500 in wastewater testing.

Table 6-15 Environmental Penalty Indicators

Indicators	Unit	2022	2023	2024
Number of incidents in which major administrative penalties were imposed by the Ministry of Ecology and Environment and other relevant departments for environmental incidents	Case	0	0	0
Amount of major administrative penalties imposed by the Ministry of Ecology and the Environment and other relevant departments for environmental incidents	RMB10,000	0	0	0

Note: The statistical caliber of the environmental penalties indicator was that of Guotai Junan Securities.



▶▶ 07 Social Issues

7.1 Social Contribution

7.1.1 Public Welfare Brand Building

Guotai Junan strives to be the vanguard and forerunner of "serving the country with financial service" and "finance for good", and has refined the *Guotai Junan Public Welfare Consensus*, which proposes the public welfare spirit of "honesty and pragmatism and dedication to perfection", the value orientation of "enterprise integrated with country and finance for good", as well as the vision of "let wealth benefit the society and give back to the society with love" and the mission of "contributing to building a better society". Guided by the public welfare culture brand of "Finance for Good", Guotai Junan has also created project brands such as "Dreams and Hopes" and "Lamp Lighting Plan", the event brand "818-Inaugural Public Welfare Cultural Festival", the "Finance for Good" concentric circle public welfare ecosystem model brand, and the volunteer brand of "Finance for Good" volunteer alliance, forming a series of brand matrices.

Since the establishment of the public welfare foundation in 2012, Guotai Junan and its employees have cumulatively donated over RMB 320 million to the foundation, directly benefiting more than 1.38 million people and helping five national-level poverty-stricken counties to lift themselves out of poverty. In recent years, Guotai Junan won the 12th "China Charity Award" and the 1st and 2nd "Shanghai Charity Awards".

To ensure the standardized management of public welfare foundation, the public welfare foundation has revised and improved systems such as the *Foundation Job Responsibilities* and *Foundation Project Management*, strengthening the institutional construction of the public welfare foundation, enhancing the scientific nature of project initiation, the standardization of execution, the timeliness of summarization, and the refinement of effect evaluation.

Table 7-1 Guotai Junan's Public Welfare Consensus



Table 7-2 Major Actions for Public Welfare Brand Building in 2024

Holding the event of "One Company, One County Pairing Assistance-Malipo Day"

- On the occasion of the 4th anniversary of poverty alleviation in Malipo County, Yunnan, which is under targeted assistance, the "One Company, One County Pairing Assistance-Malipo Day" event was held. More than 400 employees responded to the call of "purchase instead of donation, consumption to help farmers", which not only enhanced employees' awareness of the distinctive agricultural products of Malipo County but also increased their attention and participation in public welfare work, achieving a total consumption aid to farmers of over RMB 200,000.

Holding the 2nd "818-Inaugural Public Welfare Cultural Festival"

- On the occasion of the Company's anniversary on August 18th, the 2nd "818-Inaugural Public Welfare Cultural Festival" was held, during which the public welfare storytelling session of "finance for good" was held, and the beneficiaries of public welfare projects were invited to share the good stories of Guotai Junan's public welfare efforts. We joined hands with the Vegetable Group, which is the Shanghai Consumer Assistance Platform, under the Bright Group, the Company's strategic customer, to organize a public welfare market for Yunnan's specialty agricultural products, in order to promote the agricultural products of Malipo County to be listed on the Shanghai Consumer Assistance Platform, achieving a total consumption aid to farmers of over RMB 500,000.

Carrying out the "Neighborhood Protection" project for two consecutive years

- The "Neighborhood Protection" project has been carried out for two consecutive years. In 2024, a total of 15 branches and subsidiaries were supported in 18 public welfare projects including local poverty alleviation and assistance to students and teachers, and emergency disaster relief, spreading the warmth of Guotai Junan's social responsibility across the country.

Table 7-3 Public Welfare Contributions and Employee Volunteer Services

Indicator	Unit	2022	2023	2024
Community investment amount	RMB10,000	3,300.75	3,227.78	3,661.09
Of which, the amount of social welfare investment: education assistance	RMB10,000	---	1,566.91	1,413.82
Of which, the amount of social welfare investment: environmental protection	RMB10,000	---	0	34.9
Of which, the amount of social welfare investment: medical and health	RMB10,000	---	228.16	1.18
Of which, the amount of social welfare investment: culture and sports	RMB10,000	---	76.75	484.85
Of which, the amount of social welfare investment: other areas	RMB10,000	---	1,355.96	1,726.34
Number of employee volunteers	Times	6,584	1,086	1,355
Total hours volunteered by employees	Hour	26,336	4,345	5,422

Note: The values of each indicator in 2023 have been corrected due to adjustments in statistical standards.

7.1.2 Serving the community

With a focus on helping to build a city for the people, participating in emergency disaster relief, and advocating volunteer services, Guotai Junan actively carries out public welfare activities that serve the grassroots, widely distributed, directly reached and flexible in ways to serve the community and demonstrate the Company's sense of responsibility and mission.

Table 7-4 Major initiatives in serving the community in 2024

Helping to build a city for the people in Shanghai

- The Company provided comprehensive assistance to the rural areas of Fengxian District in Shanghai to support its economic development. The Company has also joined hands with Xidu Community in Fengxian District to carry out the project of "Edible and Appreciable 'Vegetable Basket', Rural Revitalization 'New Path'", aiming to create an edible landscape, make the villagers' front and back yards more beautiful, develop courtyard economy, and stimulate new vitality in the rural economy. The Company supported the "Beautiful Dachun" indoor stage construction project in Dachun Village, Shuxin Town, Chongming District, enriching the cultural life of villagers and contributing to the development of rural spiritual civilization.
- The Company assisted the construction of the Shanghai Science and Technology Innovation Center, supported the training of scientists at the Shanghai Institute of Science and Technology Innovation and Finance in the new productivity science and technology innovation camp, and the editing and production of the *International Science and Technology Headline*. The Company cooperated with the Shanghai Science and Technology Innovation Commission to support the first "Shanghai Stock Exchange Cup" Shanghai College Students Innovation and Entrepreneurship Competition. The competition selected 18 outstanding winning projects to enter the semi-finals of the "Hai Ju Ying Cai" Global Undergraduate Innovation and Entrepreneurship Competition.
- The Company paid attention to the "elderly, children and people in special needs" and conducted a New Year's greetings visit and a Double Ninth Festival visit to Fenshuidun Village and Nansong Village, Fengcheng Town, Fengxian District, which are paired with the company's party building, sending holiday wishes to the disadvantaged and the elderly in the two villages. The Company used the "Shanghai Guotai Junan Child-Friendly City Construction Special Fund" to collaborate with the Municipal Women's Federation in caring for children with serious illnesses, and worked with the Shanghai Military Support Foundation to support skills training for veterans and summer camps for children of active military personnel in Shanghai. The Company also served the "two new" community groups by continuously donating supplies to the "new" community warming stations in Wuliqiao Street, Huangpu District and Shimen 2nd Road Street, Jing'an District, allowing couriers and other newly employed people to feel the care and concern from society.



Photo of the New Year's visit and condolence activities in Fenshuidun Village, Fengcheng Town, Fengxian District, Shanghai

Actively participating in emergency disaster relief operations

- After the super typhoon "Yagi" made landfall in Wenchang, Hainan, the Company immediately contacted the Hainan branch to assess the disaster situation and needs and used the "Neighborhood Guardian" mechanism to donate RMB 110,000 to the Hainan Wenchang Charity Association for the post-disaster reconstruction of Shanya Village in Jinshan Town, Wenchang, the worst-hit area.
- Typhoon "Bebinca" that made landfall in Lingang, Pudong, Shanghai was the strongest typhoon to hit Shanghai since 1949. The Company closely monitored the typhoon's movements, proactively contacted village cadres stationed in Fengxian, and quickly opened an emergency relief green channel. Essential supplies such as rice, cooking oil, milk, and biscuits were promptly delivered to relocated villagers, other affected families in need, and elderly individuals living alone.



Photo of volunteers participating in post-disaster reconstruction work



Photo of condolences to the victims affected by Typhoon "Bebinca"

"Finance for Good" volunteer alliance volunteer service

- The Company actively leveraged the role of the "Finance for Good" volunteer alliance to make good use of employee charitable leave, and relied on its advantages in cultural guidance, public welfare assistance, investment education, and insurance protection to carry out three major types of volunteer services including "Finance for Good • Building Dreams of Hope," "Finance for Good • Professional Classroom," and "Finance for Good • Volunteering Together" on occasions such as Lei Feng Memorial Day, Arbor Day, and International Volunteer Day, continuously improving the long-term working mechanism for volunteer services. The volunteer service team was awarded the title of "Model Site for Learning from Lei Feng Activities in the Financial System."
- The financial and quotient education team opened regular financial quotient classes for teenagers in Shanghai Qibao Mingqiang Primary School and Jiading Experimental Primary School Affiliated to Tongji University, shared the "knowledge on the safe use of smartphones" in community parks, and launched investor education activities in China Securities Museum.
- The environmental protection team carried out a tree-planting activity with local villagers in Fenshuidun Village, Fengxian Town, where paired assistance has been provided. The Company organized its employees to carry out a charity book donation activity to the Xinzhiyuan School in Guangan, Yunnan Province, donating more than 1,500 charity books in total to help rural students enrich their extracurricular life.



Photo of the "Circular Love · Clothing Warms the Heart" winter clothing donation event

7.1.3 Committed to ecological protection

The Company actively implements the civilized concept of protecting natural ecology, and is committed to assisting ecological protection and pollution prevention and control through professional ecological public welfare activities, and fulfills environmental responsibilities with practical actions, contributing to ecological and environmental protection in the places where the Company operates and the world, and contributing to the construction of "Beautiful China".

Table 7-5 Ecological Protection Activities Conducted in 2024

Xiong'an Branch

- Xiong'an Branch, the Public Welfare Foundation and Xiong'an Group Ecological Company jointly organized the "Millennium Beautiful Forest" ecological protection volunteer service activity in Xiong'an to assist forest rangers in conducting forest fire prevention patrols, clearing fallen leaves to reduce the risk of winter fires, and installing wooden bird nests on the trees in the woodlands to increase habitats for overwintering birds in the forests, with a view to contributing to biodiversity conservation.



Guangdong-Hong Kong-Macao Greater Bay Area Coordinated Development Committee

- A public welfare activity of cleaning up the beach for the protection of the marine ecological environment at Jiaochangwei, Dapeng, was carried out in the ancient city of Dapeng, Shenzhen. Employees and their families were organized to participate in the mangrove protection activity of the "Green Public Welfare Action of the Greater Bay Area Party Building Activity Station" to raise public awareness of protecting the ecological environment.



Information Technology Line

- A total of 269 party member volunteers were organized to go to the section from Hongsheng Road to East Huadong on the south bank of Zhangjiabang River Road in batches to carry out voluntary service work such as inspection and supervision of pollution prevention treatment and river garbage cleaning.



Beijing Branch

- Beijing Branch organized employee volunteers and youth volunteer families to conduct civilized tourism promotion and garbage cleaning activities, and promote financial security and investment knowledge.



Yunnan Branch

- Yunnan Branch carried out the volunteer service activity of "Youth for Good Action: Building a Green Dream Together", promoting the use of rechargeable batteries through physical exhibitions, interactive Q&A, and production of brochures, in an effort to jointly protect our green home.



7.2 Rural Revitalization

In order to actively respond to the call of the China Securities Regulatory Commission, the Securities Association of China, the Shanghai Municipal Government, and the State-owned Assets Supervision and Administration Commission of Shanghai, the Company has strengthened its paired assistance work, actively established and improved long-term assistance mechanisms, assumed assistance responsibilities, innovated assistance methods, increased assistance efforts, and implemented detailed assistance measures to support the construction of education, industry, and people's livelihoods and other aspects in the assisted areas.

Table 7-6 Rural Revitalization Assistance Measures for 2024

Educational assistance

- The Company cooperated with the Oriental Broadcasting Center of Shanghai Radio and TV Station to jointly launch the public welfare project of "Seeing the World with Big Eyes" for rural students, and launched the "Little Scientist", "Little Reader", "Little Musician" and "Little Inheritance" and other charitable activities. The Company also teamed up with Archimedes to build the "Guotai Junan Audio Library", which has been installed in three Hope Primary Schools, opening a window for rural students to see the world.
- The Company cooperated with Zhejiang University to launch the senior summer training class for rural teachers (Phase 2) under the "Lighting Plan". 200 principals, class teachers and key teachers from the counterpart counties and Guotai Junan Hope Primary Schools participated in the 9-day training. After the training and taking into account the needs of trainees from all over the country, 7 famous teachers went to the countryside activities were held in Guangnan, Qianshan, Wenshan, Yanshan, Zhaotong and other places, which were well received by local teachers and students, with over 3,000 people participating online and offline. The Company also launched the "Lighting Action" to support the participating teachers in applying what they have learned to improve their educational practice. A total of 7 participating teachers have received funding for 9 featured projects, so that the training results could actually benefit rural students.



Photo of the "Little Readers" charity project



Photo of the graduation ceremony of the senior summer training class for rural teachers (Phase 2) under the "Lighting Plan"

- In order to support the construction of the sports playground of Guotai Junan Dandan Hope Primary School, the "One Day's Salary Warms People's Hearts" initiative was launched on the first working day of the New Year in 2024. Within 7 days, RMB 566,700 in donations were received from 2,697 people, which helped the sports playground of Dandan Hope Primary School to be completed and put into use after school started in September. Annual visits were conducted to three Hope Primary Schools, and the Guotai Junan Teaching and Scholarship Awards were distributed. Focusing on the needs of teachers and students, the second batch of "Wish House" prizes were donated to three schools, the nutritious lunch project was continued in two schools, and a computer classroom was built at Tianzhushan Central Primary School.
- The public welfare training project of "Light Your Heart, Build Dreams and Hope - Hundred Schools and Thousand Teachers of Spiritual Gardeners in Yunnan Province" held 6 offline trainings in Yunnan Province with nearly 1,000 participants, and three online lectures were held, were listened and watched by nearly 500 thousand people. After the training class, continuous online consultation and guidance were provided to full-time and part-time psychology teachers to help trainees "get on the horse and keep them on their way".
- For the second year in a row, the "Building Dreams and Strengthening the Nation" Guotai Junan Scholarship was established in 16 universities including Tsinghua University, Zhejiang University and Beihang University, aiming at inspiring outstanding college students to devote themselves to scientific research and innovation and shoulder the responsibility of "strengthening our country". The Company provided support for the cultural academic calendar project of Fudan University to guide the development of university campus culture with Xi Jinping's cultural thought. For the second year in a row, the Guotai Junan National Defense Student Scholarship was established for 53 high school graduates in Qianshan, Anhui Province, to support the development of national military talents and encourage young people to work hard, devote themselves to national defense and serve the motherland.

Industrial assistance

- In cooperation with Shanghai Trust, the Company continued to carry out the "Shangshan series" Guotai Junan "Low Carbon Planting" Rural Revitalization Charity Trust.
- The Company supported the renovation of the exterior facades of the houses in Liulangcheng Village, Guangan County, Yunnan Province, and helped build a rural characteristic industry integrating health care, leisure and entertainment, cultural industry, and tourism economy, which helped increase the income of villagers, and truly achieved "lucid waters and lush mountains are invaluable assets".
- The Company supported the trainees of the training class of "Leaders on Getting Rich" in rural revitalization to develop the rural tourism industry in the local area and launched the project of "Forest Fun Farm" to support the integration of the training results into practical actions to lead the villagers to become rich.
- The Company continued to carry out the "insurance + futures" project in Guangan County, Yunnan Province, providing sugar price insurance for local cane farmers, stabilizing the income of sugarcane farmers, and using financial and public welfare resources to promote rural revitalization and serve the county economy.

People's livelihood assistance

- The Company supported the project of upgrading the houses of Daga Village of Longlong Village Committee of Babu Town, Malipo County, Yunnan Province, the project of "Light Up the Village" of Longlu Village Committee of Tiechang Town, and the public facilities construction project of the village group in Shangliang Shuijing Village, Daping Town.
- The Company supported the reconstruction and upgrading project of the community cultural station in Bachu County, Xinjiang to help improve local industrial and people's livelihood environment and enhance people's well-being.
- The Company sent Chinese New Year condolences to Shanghai cadres who provided assistance to Tibet and Qinghai, sending them care from their hometowns, helping them ease their worries and better devote themselves to the counterparty assistance.

Intellectual assistance

- The Company cooperated with Zhejiang University to open a special training course for "Leaders on Getting Rich" in rural revitalization for 50 village secretaries, village heads and entrepreneurial talents from five counterpart assistance areas for the second consecutive year, to help the trainees learn from advanced experiences in Hangzhou and other places and become the "leading goose" of the industrial development in their respective regions.
- The Company leveraged the professional expertise of the institute to conduct a county economic survey in Ji'an County, Jiangxi Province, and produced a research report titled *The Inheritance of the Gan River and the Resurgence of Luling - Suggestions on Promoting High-quality Development of the County Economy in Ji'an County According to Local Conditions*, which received positive feedback from relevant government departments in Ji'an County.
- Under the guidance of the strategy of enriching Xinjiang with culture, the Company joined hands with the Pomegranate Seed Project to carry out the public welfare training on "Rejuvenating Xinjiang and Making the People Prosperous - Promoting Putonghua + Omni-media Operation of Guotai Junan" in Xinjiang to help improve the local people's Putonghua proficiency and skills in operating new media live broadcasts, and enhance its ability to promote local quality products to all parts of the country and even the global market.



Table 7-7 Indicators of village revitalization

Indicators	Unit	2022	2023	2024
Rural revitalization investment amount	RMB 10,000	1,121.99	2,422.38	2,454.11
Number of people benefited from rural revitalization	persons	123,000	300,000	128,000

7.3 Innovation Driving

Guotai Junan attaches great importance to investment in science and technology, and continues to promote comprehensive digital transformation characterized by "online", "data-based" and "intelligence". At the opening ceremony of the 3rd Shanghai Fintech International Forum and the 1st Yangtze River Delta Fintech Conference in December 2021, the Company proposed its vision for a comprehensive digital transformation to create a "SMART investment bank", and is committed to building the Company into a SUPER, MATH-DRIVEN, AGILE, and REVOLUTIONARY TECHIB.

Guotai Junan formulated and released the *Comprehensive Digital Transformation Plan*, which established an organizational structure to promote the transformation, forming an organizational promotion system in which decisions and guidance were made by the Company's Comprehensive Reform Leading Group, led by the Digital Transformation Office, coordinated and operated by the Data Management and Application Department, and implemented by all units, thus clarifying the working mechanism requirements. Guotai Junan also proposed and actively implemented the development concept of "open securities" for the first time in the securities industry, advocating that all participants in the capital market create a new pattern of multi-party benefit and win-win cooperation through open up their minds, business and technology, such as jointly establishing fintech laboratories, so as to jointly explore cutting-edge research topics and incubate internal and external innovative results, leading and promoting the digital transformation of the industry.

In order to accelerate the comprehensive digital transformation, Guotai Junan formulated the *Action Plan for Digital Transformation Platform Planning* in 2023 on the basis of the *Comprehensive Digital Transformation Plan*, which systematically built an overall framework for 14 major platforms in four categories, namely customer service, business capability, operation management and digital technology, included forward-looking plans for the platform construction objectives, construction measures and specific implementation plans, and established a management closed loop of platform planning and design, implementation and operation, and strategy evaluation, and coordinated the development of key platforms. On the basis of the construction of 14 major platforms in four categories, the Company independently developed a new generation of decentralized low-latency core trading system on information innovation to promote the intelligent application of large language models.

With the advent of the era of artificial intelligence, Guotai Junan has already proposed the foundation of the AI application strategy of "AI in ALL" in 2017, and has innovatively proposed a new strategy of "ALL in AI" in 2024, in order to firmly promote the application and empowerment of AI in various fields and scenarios in a long-term, sustainable and in-depth manner, and use AI big models as an important force for change, drive organizational change and process innovation, and promote the innovation and upgrading of the Company's business and operation management model.

Table 7-8 Major Initiatives for Digital Transformation

Major Initiatives	Construction Progress and Major Achievements
Building a Customer Service Platform	<ul style="list-style-type: none"> Junhong Platform: The Junhong APP has fulfilled key regulatory requirements such as the new number segment for the Beijing Stock Exchange, supported the integration of third-party internet ecosystems, and completed the voluntary exercise declaration of equity incentives, and increased the number of options for exercise financing; Junhong Smart Investment launched 8 strategies, and the transaction volume of intelligent order increased by 63.26% year-on-year; The first phase of Jun Wealth Master was launched, generating 338 asset allocation reports and 28,000 account diagnostic reports. The AI investment advisory super assistant based on large-scale model construction has been opened to branches. The proportion of high-net-worth clients on Enterprise WeChat increased to 30.44%; The number of registered users of Junhong reached 41.38 million, and the number of monthly active users ranked second in the industry. Daohe Platform: Daohe's web version has added a FICC credit research module, and the PC and APP versions have been completely redesigned; A new transaction scenario has been added to Daohe Sales Connect; Daohe Smart Investment Platform was launched, and market research, etc., was opened to institutional clients; The inter-bank bond counter was the first in the industry to pass the acceptance; Self-operated intelligent quotation system was launched; There were 81,615 real-name registered users and 35,247 average monthly active users on Daohe platform, and the transaction volume of Sales Connect has reached 285 billion. Enterprise digital Intelligent Platform: The enterprise customer CRM has been established, and the dual account manager system of the wealth line has been implemented through the Onelink platform; The M&A platform was launched, and achieved business opportunities with Guotai Junan Venture Capital, Guotai Junan Securities, Strategic Customer Department, Private Customer Department and other departments; The digital intelligence customer system was launched; The PE institution database has been established, Rongyi Link has been released, the due diligence and project management processes have been connected, and the intelligent audit cross-verification tool has been added; ChatIBD has been optimized and the full-process digital intelligence application of the investment bank has been rated as a high-quality industrial development project by the Municipal Commission of Economy and Informatization.

Major Initiatives	Construction Progress and Major Achievements
Building a Business Capability Platform	<ul style="list-style-type: none"> Full Asset Management Platform: Promoting the full application of FICC equity customer demand for major asset targets in Calypso valuation and risk control. The asset bookkeeping rate was 94.8%, representing a year-on-year increase of 24%; The FICC comprehensive asset management capability and FICC multi-asset pricing and valuation capabilities have been established; The electronic rate of over-the-counter business has reached 100%. Quantitative Trading Platform: Phase II of G1 Counter was launched; The source code of self-developed algorithmic trading has been unified; 23 personalized PB systems have been added, and 198 sets are in production and operation; The comprehensive link latency ranking of key customers maintained the first place in the industry; As of the end of December, the trading volume of quantitative trading stock funds + convertible bonds was RMB8.73 trillion, a year-on-year increase of 24.12%; the number of commissions was 2.304 billion, a year-on-year increase of 56.42%, and the transaction of QFII was RMB6.57 trillion, a year-on-year increase of 70.09%. Smart Investment Research Platform: Integrated search and macro dashboard and other investment research function components and financial models have been launched, and quantitative containers have been continuously optimized. Smart research reports have launched investment suggestions and other functions, serving 1.114 million customers and 9.0013 million visits; Daohe Smart Investment has been empowered to officially start operations and launch portfolio management; The window-based strategy research and development of Junhong Smart Investment and the Jun Wealth Platform have been supported, and functions such as fund manager details have been added to the product panoramic view. Cross-border Integration Platform: The domestic inter-bank bond swap business was launched and fully online trading was realized; The number of products under southbound cross-border transactions was expanded to 19, with approximately 9,500 southbound cross-border transactions with a transaction amount of approximately US\$3.3 billion; The northbound commodity futures products of Guangzhou Futures Exchange and Shanghai Energy Exchange were newly added, and online trading of northbound cross-border swap business was realized, with approximately 2.14 million northbound cross-border transactions with a transaction amount of approximately RMB280 billion; The UK subsidiary has been backed up to become fully operational.
Building an Operation Management Platform	<ul style="list-style-type: none"> Smart Financial Platform: The server selection and procurement of information innovation have been completed, the load balance of the financial sharing centers of the branches has been established, and the statistics of customer revenue of multiple businesses have been completed through the integration of OneID. Compliance and Risk Management Platform: A complex risk warning indicator measurement engine was launched, the Group's risk data governance coverage rate has reached 85%, and abnormal transaction monitoring for programmed trading has achieved 100% coverage. Paperless signature has been adopted for 80% of the procedures such as compliance commitment. Human Resources Platform: The construction of employee tagging and talent profiling system was promoted to achieve independent management of recruitment services and data task scheduling; The AI-based interview module and group interview management have been launched, and one campus recruitment and final interview has been completed, and interviewers can view resumes and ratings through PAD. Clearing, Settlement and Operation Platform: Centralized clearing of the information and innovation platform and completed switchover of a total of 19 million customers; Clearing of proprietary, over-the-counter open-end funds, ETF collection and payment, cross-border wealth management, interbank bond counters and other businesses have been completed, and centralized operation 2.0 covered all branches. Business Decision-making Platform: Three phases of revision of the management cockpit were completed, and the construction of 104 high-fidelity pages and 3,294 indicators of 22 units was completed; The timeliness of indicators was significantly improved, and the system achieved a calculation rate of 85.67%.
Building a Digital Technology Platform	<ul style="list-style-type: none"> Technology Governance Platform: DevOps pipeline coverage reached 93.75%; The platform was the first in the industry to pass the national standard for the Level 3 assessment certification of <i>Development and Operation Integration Capability Maturity</i>; AI code assistant has been launched and customized development of 2 scenarios; Full coverage of PingCode has been achieved. Technology Service Cloud Platform: The newly-added information and innovation cloud hosts accounted for 70%, the cloudification rate of newly added non-real-time transactions reached 97.55%, and the cloudification rate of existing resources reached 64.26%; A new version of the cloud platform was launched to achieve self-service delivery of resources such as containers. The coverage rate of cloud monitoring reached 100%, and the efficiency of cloud backup service was upgraded. Smart Data Platform: The construction of the Company's enterprise-level database has been fully completed, enabling global data to be loaded into the database and data assets being recorded as assets, covering scenarios such as investment research, trading and real-time asset calculation. A customer master data operation system, process and mechanism from ex post to ex ante has been implemented, and for the first time, cross-penetration of customer-level business landing data such as wealth, investment banking, credit, institutions and customer needs has been achieved.
Independent research and development of a new generation of decentralized low-latency core trading system on information innovation	<ul style="list-style-type: none"> The construction of a new generation of decentralized low-latency trading system on information innovation has been completed. In August 2022, the Company completed the overall switching of more than 15 million ordinary brokerage customers, and realized the appropriate and advanced information innovation replacement of full horizontal link and full vertical stack, which was a major breakthrough in the field of information innovation for the core trading system of the securities industry. The technical capabilities and performance indicators of the core trading systems in the securities industry have been improved to the world's first-class level. The low-latency technologies deployed in advance have helped the Company gain competitive advantages in credit, international and quantitative trading business areas. Relevant achievements were awarded the first prize in the 2021-2022 Shanghai Financial Innovation Achievement Award and the first prize in the 2023 People's Bank of China Financial Technology Development Award, and have been selected as one of the top ten events in financial informatization in 2024.
Building Large Language Models	<ul style="list-style-type: none"> The testing and application research of large language models has been actively carried out, the research and data set training of open-source models have been promoted simultaneously, and the feasibility of application in some vertical application scenarios has been studied. The open-source large language model has been privately deployed, and a number of application scenarios, such as intelligent Q&A for investment banking, Lingxi intelligent investment advisory, and Qianji Chat. The industry-shared large language model platform has been actively researched and established, and a number of large models and application results such as "Lingxi Budao" and "Guoxin Zhengdao" have been released to the public. Junhong Lingxi large-scale model of securities model was launched, which is the first one with hundreds of billions of parameters and multi-modality in the industry, and it was also the first in the industry to fully integrate large-scale model capabilities into its intelligent customer service system. Junhong Lingxi successfully completed the first generative artificial intelligence service registration in Shanghai (No. 001), and the Company became the first and only securities firm that successfully completed the algorithm filing with the Cyberspace Administration of China and the generative artificial intelligence service registration in Shanghai.

In recent years, Guotai Junan has received high praise from the government, the market, and professional institutions for its outstanding achievements in digital transformation and fintech innovation. In the Shanghai State-owned Assets Supervision and Administration Commission's assessment of the digital transformation of 43 municipally regulated enterprises in the city, Guotai Junan ranked first among financial companies. It is also the only financial state-owned enterprise in Shanghai whose digital transformation case was reported to the State-owned Assets Supervision and Administration Commission of the State Council. The Company is the only securities firm in domestic that has obtained the three major international IT management certifications, namely CMMI5, ISO20000, and ISO27001. It was the first in the industry to pass the data exit security assessment by the Cyberspace Administration of China, and was awarded the industry's first DCMM (Data Management Capability Maturity) Level 4 certification. It was also the first in the industry to achieve the highest level of "Advanced" certification for trusted open-source governance capability maturity by the China Academy of Information and Communications Technology, the first in the industry to pass the Level 3 certification for test agility maturity by the China Quality Certification Center, and the first in the industry to obtain the Level 3 certification for the *Enterprise IT Infrastructure Resource Operation (FinOps) Capability Maturity Model*. It was the first to pass the national standard of Level 3 assessment of *Software Development and Operation Integration Capability Maturity*, the first and only in the industry to pass the Data Security Capability Maturity Mode (DSMM) Level 3 certification, and one of the first blockchain-linked enterprises in the Shanghai state-owned assets system.



Topic 7-1 Guotai Junan successfully opened up a new path of advanced replacement of full-link and full-stack core trading system in the financial industry

In 2024, Guotai Junan took the lead in completing the construction of a full-link full-stack information innovation decentralized core securities trading system through independent research and development, and horizontally realized the full-link information innovation upgrade from mobile, desktop, branch, internet access, core trading to disaster recovery, and vertically achieved full-stack information innovation replacement from storage, switches and servers to operating systems, databases and middleware, and completed the switchover of all 19 million customers, with its performance reaching the world-class level. Guotai Junan, with its own independent intellectual property rights, was the first in the industry to realize large-scale full-stack information innovation applications in complete core transaction and complex production scenarios, and successfully explored a smooth implementation path for ultra-large-scale core systems. This not only promoted the in-depth development of the industry's information innovation work, but also through joint research and construction, it drove the industry to realize the transformation of information innovation products from "available" to "easy to use".

The system has been running smoothly since its launch and has successfully coped with the sudden pressure of extreme market conditions, ensuring smooth business throughout the entire process and supporting the effective growth of the Company's trading volume and account opening share. It has fully proved that information innovation software and hardware systems can meet the needs of large-scale, high-concurrency and high-reliability core trading scenarios in the securities industry through the application of technology architecture innovation. The *Full-Link Decentralized Securities Core Trading System Construction Project* won the first prize of the 2023 People's Bank of China Financial Technology Development Award and was selected as one of the top ten financial informatization events of 2024.





Topic 7-2 Guotai Junan fully implemented the application of AI large-scale model

As a pioneer in the industry's digital and intelligent construction, Guotai Junan began to deploy artificial intelligence applications as early as 2017, and proposed the forward-looking artificial intelligence application strategy of "AI in ALL", in order to be the first in the industry to realize the use of artificial intelligence in investment research, risk control, services, operations, collaboration, operation and maintenance and other fields. Through the cooperation of human and machine, it has greatly lowered the professional threshold, improved operational efficiency, and empowered high-quality services in every field and scenario. In 2024, based on "AI in ALL", the Company further proposed a new strategy of "ALL in AI", shifting from enabling AI that improves quality and efficiency to transformational AI that promotes organizational transformation and process innovation. Taking the advanced general-purpose large model as the cornerstone, the Company proposed the idea of the large model platform in the industry field, explored the "1+N" implementation application scheme of "1" industry large model in "N" business scenarios, and supplemented by the collaboration of open-source large model clusters, thus launching the industry's first vertical large model with hundreds of billions of parameters - Junhong Lingxi.

Junhong Lingxi has successfully completed the first generative artificial intelligence service registration in Shanghai (No. 001), becoming the first and only securities firm that successfully completed the algorithm filing with the Cyberspace Administration of China and the generative artificial intelligence service registration in Shanghai. Junhong Lingxi has been fully implemented in scenarios such as wealth management, institutional services, investment banking, compliance and risk control, digital workplace, and R&D operation and maintenance, and the full-process digital intelligence application project of investment banking based on large models was successfully applied as a high-quality industrial development project of Shanghai Municipal Commission of Economy and Informatization in 2024.

Guotai Junan has maintained an industry-leading level of technological innovation. In 2024, the Company made breakthroughs in the application of innovative technologies such as information innovation, large models, and blockchain technology, and received new approvals including 1 project for promoting high-quality industrial development from Shanghai Municipal Commission of Economy and Informatization, 2 innovation-level projects from Shanghai State-owned Assets Supervision and Administration Commission, 5 financial technology development awards from the People's Bank of China, and 13 outstanding industry research projects.

Table 7-9 Major Digital Transformation Awards Received in Recent Years

Selected as a demonstration of the intelligent monitoring and discovery technology and application of abnormal trading behavior in the securities market in the key project of the 2022 National Major R&D Program "Social Governance and Smart Society Technology Support".

The Intelligent Security Operation Platform was selected as a typical case of cybersecurity technology application by the Ministry of Industry and Information Technology in 2024.

The Full-process Digital Intelligence Application Project of Investment Banking Based on Large Models was successfully selected as an innovation-level project of the Shanghai State-owned Assets Supervision and Administration Commission in 2024 and a high-quality industrial development project of Shanghai Municipal Commission of Economy and Informatization in 2024.

Blockchain-based Innovation Application of Securities Industry was successfully selected as an innovation-level project of the Shanghai State-owned Assets Supervision and Administration Commission in 2024.

The Smart Data Middle Platform was successfully approved as an innovation-level project of the Shanghai State-owned Assets Supervision and Administration Commission in 2023.

The Full-Link Decentralized Securities Core Trading System Construction Project won the first prize of the People's Bank of China Financial Technology Development Award in 2023.

Two projects, namely *Next-Generation Decentralized Low-Latency Trading Platform for the Securities Industry and Investment Banking Business Quality Evaluation System Based on Blockchain and IPFS*, won the second prize of the People's Bank of China Financial Technology Development Award in 2022.

The *New Generation of Decentralized Low-Latency Trading Platform on Information Innovation* won the first prize of the Shanghai Financial Innovation Award in 2021-2022.

Three projects, namely *Digitalization of Investment Banking Due Diligence Based on Blockchain*, *Innovative Applications of Carbon Finance Based on Blockchain*, and *Digital Precision Service of Wealth Management Based on Privacy Computing and Blockchain*, were successfully applied as the capital market regulatory sandbox project.

Guotai Junan successfully opened up a new path of advanced replacement of full-link and full-stack core trading system in the financial industry was selected as one of the top ten events in financial informatization in 2024.

The topic named *Research and Application of One-Stop Secure and Controllable Commercial Cryptography Services* won the first prize of the security topic of the Cybersecurity Innovation Laboratory of the Securities and Futures Industry in 2023.

The *Management Platform for Digitizing Investment Banking Working Papers* won first place in the special evaluation of the Securities Association of China in 2023.

Awarded one first prize, one second prize, and one third prize of excellent projects of the Shenzhen Stock Exchange in 2023.

Awarded a number honors from the Securities Information Technology Research and Development Center (Shanghai) (ITRDC) in relation to industry collaborative research projects, rated as an excellent project by ITRDC for five consecutive years, and won 1 first prize, 2 second prizes, 2 third prizes, and 2 excellence awards for industry collaborative research projects.

Two topics including *Research and Exploration of Financial Large Models in the Securities Industry Based on Domestic AI Chips* were awarded as 2023 excellent key research topics by the Securities Association of China.

The *Mobile Financial Client Software Development Specifications* was successfully selected into list of "Front Runners" of Enterprise Standards in 2023.

Won 4 awards including the All-round Junding Award for Digital Transformation at the First Junding Award for Digital Transformation of the Securities Industry in China.

As the only representative from the securities industry, the *Research on Model Construction and Scenario Application of Large Models in the Financial Field* won the Top Ten Excellence Awards in the Large Model Financial Application and Practice Competition (2024 Global Fintech Conference Series Events).

Guotai Junan was the only securities company awarded the title of "Leading Enterprise" at the China International Fair for Trade in Services in 2023, and won the "Case of Innovation" award for its project named *Intelligent Platform for Investment Banking Full-services Based on Information Innovation Framework*.

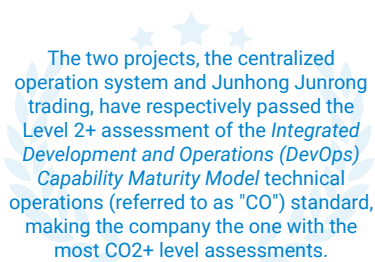
Awarded the highest level "HarmonyOS Pioneer - Outstanding Leadership Award" at the 2024 Huawei Developer Conference and became the only securities company to receive this honor.

Awarded the "2023 Outstanding Digital Merchant" by the Shanghai Data Service Provider Association and the "Annual Leading Digital Merchant Award," the only one in the industry.

Awarded the title of "OSCAR Peak Open Source Enterprise (Open-Source Governance Direction)", becoming a leading company in China.

The *Guotai Junan EBPF Cloud Business Insight Engine* was awarded Level 4 certification in the Cloud Native Capability Maturity - Technical Architecture Operation and Maintenance Assurance Domain by the China Academy of Information and Communications Technology, the first company in the industry to obtain such certification.

Awarded 2 "Best Innovation Awards for Financial Institutions", 1 "Best Application Award for Financial Institutions", and 1 "Best Practice Award for Financial Institutions" at the 2023 Yangtze River Delta Fintech Festival, ranking first in the securities industry in terms of the number of awards.



The Company is primarily engaged in the development and application of fintech-related technologies. In carrying out digital transformation and financial technology innovation activities, the Company has always adhered to ethical standards of science and technology, including strict compliance with the *Opinions on Strengthening the Governance of Scientific Ethics*, the *Measures for the Review of Scientific Ethics (Trial)*, and the *Guidelines for Scientific and Technological Ethics in the Financial Sector* and other laws and regulations, and actively implementing value concepts and behavioral norms such as integrity and innovation, data security, inclusive and universal benefits, transparency, fair competition, risk prevention and control, and green and low-carbon practices. In 2024, the Company did not commit any violations of scientific and technological ethics and did not receive any related penalties.

Table 7-10 FinTech Investment Indicators

Indicators	Unit	2022	2023	2024
Fintech investment amount	RMB 100 million	16.99	20.84	21.08
Proportion of fintech investment to operating revenue	%	7.96	10.92	8.93
Number of fintech talents	person	--	1,065	1,127
Proportion of fintech talents	%	--	10.08	10.89
Number of fintech invention patent authorizations	patent	--	23	32
Number of fintech software copyrights	registration	--	98	138

Note: The statistical caliber of the number of financial technology investment indicators is Guotai Junan Securities.

7.4 Sustainable Supply Chain

Guotai Junan continuously enhances the professionalism and standardization of procurement, strictly adheres to laws and regulations such as the *Bidding and Tendering Law of the People's Republic of China* and the *Interim Provisions on the Management of Centralized Procurement of State-owned Financial Enterprises*, and has established a *procurement management system centered on the Procurement Management Measures of Guotai Junan Securities Co., Ltd.*, covering the *Centralized Procurement Management Measures of Guotai Junan Securities Co., Ltd.*, the *Management Measures for Review Experts of Centralized Procurement of Guotai Junan Securities Co., Ltd.*, the *Decentralized Procurement Management Measures of Guotai Junan Securities Co., Ltd.*, the *Supplier Management Measures of Guotai Junan Securities Co., Ltd.*, and the *Implementation Rules for Procurement Management of Infrastructure Engineering Projects of Guotai Junan Securities Co., Ltd.*. As a financial institution, the company's procurement of goods and services is

relatively simple, and its main suppliers are domestic suppliers, so there is no substantial risk in terms of supply chain security.

To further consolidate the procurement review management function and improve the efficiency of specific procurement activities, Guotai Junan has established the Corporate Procurement Management Committee, with the Company's president serving as the committee chairman, and formulated the *Rules of Procedure for the Procurement Management Committee of Guotai Junan Securities Co., Ltd.* A centralized procurement review working group has been established under the Corporate Procurement Management Committee, which is responsible for the review and management of the Company's procurement activities. The head of the centralized procurement review working group shall be the Company's chief financial officer or the head of the planning and finance department. The Company has also set up a procurement management center in the planning and finance department, which is responsible for the Company's procurement management and the implementation of centralized procurement.

Table 7-11 Sustainable Supply Chain Management Initiatives

Supplier Access

- The Company requires suppliers to meet basic conditions such as "honesty and trustworthiness, business reputation, good business conditions, not being included in the list of dishonest persons subject to enforcement in the past three years, the list of parties involved in major tax violations, the list of people with serious illegal and dishonest behavior in government procurement, the list of serious dishonest enterprises in the statistical field and not on the list of suppliers in the Company's banned period" and "clean operation, elimination of commercial bribery, and maintenance of a fair competition environment".

Establishment of supplier evaluation and grading system

- The demand department evaluates the relevant content of contract performance, and the procurement management center evaluates other aspects. The evaluation results will take effect only after being submitted to the procurement management committee for approval.
- The Company conducts annual evaluation on suppliers who have fulfilled centralized procurement contracts with a cumulative amount of RMB 1 million (inclusive) or more and have fulfilled two or more centralized procurement contracts in the statistical year.
- Suppliers are rated as A, B, C and D according to their ratings and the quality of services they provide, product performance, business operation and integrity.
- The Company imposes penalties on lower-tier suppliers, including warnings, prohibition of contract renewal, entry bans, and permanent bans.

Maintaining Supplier relationship maintenance

- The Company conducts supplier relationship maintenance in accordance with the principles of "integrity, fairness, and transparency," establishes and maintains a supplier information database, promptly collects supplier information, and accurately records the basic information, performance status, operational status, and misconduct of suppliers.

Establishment of supplier complaint and inquiry system

- The Company allows suppliers to inquire about any doubts that may harm their own interests in procurement activities. The procurement management center is responsible for acceptance, investigation, processing and response of complaints and doubts about centralized procurement business, and establishes a work ledger.

Supplier Anti-Corruption Management

- In accordance with the requirements of the *Supplier Management Measures of Guotai Junan Securities Co., Ltd. (2024 Revision)*, the principles of honesty and integrity in business and ESG management concepts are established as the fundamental principles of supplier management.
- Employees of the Company are required to abide by the principles of integrity and fairness in their work, and not to abuse their authority to transfer or seek improper benefits, so as to preventing the occurrence of improper transactions.
- Actively urging suppliers to practice ESG philosophy, and requiring suppliers to formulate anti-corruption related systems by setting up anti-corruption clauses in the contract terms or signing a letter of commitment on integrity, so as to achieve full coverage of anti-corruption management requirements for suppliers, and incorporate supplier anti-corruption into supplier evaluation and grading systems.

Green Procurement

- The Company pays attention to the environmental impact of suppliers and their products or services, and explicitly requires that the products or services provided by suppliers comply with national, industry, and green procurement standards.
- Priority is given to procuring environmentally friendly and green products with China Environmental Labelling certification.

Table 7-12 Supplier Management Indicators

Indicators	Unit	2022	2023	2024
Total number of suppliers	Suppliers	--	1,180	4,176 ²
Suppliers from Mainland China	Suppliers	--	876	3,798
Suppliers from Hong Kong, Macau, Taiwan, and Overseas	Suppliers	--	304	378
Number of suppliers that conducted environmental impact assessments	Suppliers	--	284 ¹	595
Number of suppliers with actual or potential significant negative environmental impacts	Suppliers	--	0 ¹	0
Number of suppliers that conducted social impact assessments	Suppliers	--	320	380
Number of suppliers with actual or potential significant negative social impact	Suppliers	--	0	0
Balance of accounts payable (including notes payable) ³	RMB 100 million	1,588.09	1,673.73	2,013.56
Balance of accounts payable (including notes payable) as a percentage of total assets	%	18.45	18.09	19.22
Balance of overdue payments	RMB 100 million	0	0	0
Balances of overdue payments to small and medium-sized enterprises	RMB 100 million	0	0	0

Note 1: Relevant data has been corrected for numerical accuracy.

Note 2: The total number of suppliers in 2024 significantly compared to that in 2023 is due to the substantial increase in the number of subsidiary suppliers included in the statistics.

Note 3: As a financial enterprise, the balance of accounts payable (including notes payable) of the company mainly consists of customer deposits and other payments, not payments due to suppliers, and the balance of overdue payments is 0.

7.5 Products and Services Quality

7.5.1 Optimize product and service quality

Guotai Junan has always adhered to the principle of "customer-centricity," continuously improving the three major customer service systems for retail clients, institutional clients, and corporate clients, and constantly enhancing the level of customer service and response efficiency. The quality of financial products and services provided by the Company has been widely recognized by customers and has accumulated a good market reputation. In 2024, the Company won 14 awards from China Securities Journal, including "Golden Bull Securities Company", "Golden Bull Investment Banking Team", "Golden Bull Collective Asset Management Plan," and "Golden Bull Securities Analyst". It also received 17 awards from Securities Times, such as "Jun Ding Award for China's Securities Industry All-Round Investment Bank", "Jun Ding Award for China's Securities Industry All-Round Wealth Broker", "Jun Ding Award for China's Securities Industry All-Round Digital Transformation", and "Jun Ding Award for China's Securities Industry All-Round Asset Management Institution". Additionally, the Company was honored with 11 awards from New Fortune, including "Best Local Investment Bank", "Best Equity Underwriting Investment Bank", and "Best Bond Underwriting Investment Bank", as well as 26 awards from Wind, such as "Annual Best Investment Bank", "Best A-share Equity Underwriter", and "Best Bond Underwriter". Furthermore, the Company received multiple awards from authoritative institutions such as the Shanghai Stock Exchange, Shenzhen Stock Exchange, and China Central Depository & Clearing Co., Ltd.

Table 7-13 Major Initiatives to Optimize Product and Service Quality

Retail Customers
<ul style="list-style-type: none"> Comprehensively advance the systematic construction of the investment advisory team, optimize the branch organizational structure, unify the professional rank management of investment advisors, and standardize the service standards of investment advisors. Launched the industry's first AI investment advisory super assistant and Pad-based Master asset allocation platform. Focus on deepening the customer group management system and enhancing the Junhong Star service retail customer service system.
Institutional Customers
<ul style="list-style-type: none"> Focus on the characteristics of diversified structure of institutional clients, diversified service scenarios and customized customer needs to promote the transformation of institutional client business philosophy from "product-centric" to "customer-centric." Formulate differentiated business strategies focusing on four major customer groups: "public offering clients," "insurance clients," "securities private fund clients," and "bank and financial institution clients." Continue to strengthen the construction of specific businesses such as medium- and long-term capital market access, institutional wealth management, and the ETF ecosystem, improve the efficiency of responding to customer needs, and enhance the effectiveness of institutional customer service and sustainable operations.
Corporate Customers
<ul style="list-style-type: none"> Implement customer classification and tiered list management, continuously improve the service solutions for three major customers, namely group strategic customers, investment banking strategic customers, and investment strategic customers, and effectively coordinate the management of corporate customer services. Establish a comprehensive, professional and platform-based product and service system covering the entire life cycle of the enterprise, and continue to iteratively upgrade the product system for corporate customers. Create a digital platform that is "convenient to serve customers, facilitate front-line business development, and facilitate management and analysis", focus on the construction of corporate customer CRM system and corporate customer product system, and create a digital and intelligent empowerment system.

Table 7-14 Incident Indicators for Financial Products and Service Quality

Indicator	Unit	2022	2023	2024
Amount involved in damages from major safety and quality liability accidents related to financial products and services	RMB 10,000	0	0	0

7.5.2 Investor Rights Protection

Guotai Junan has always adhered to the political and people-oriented nature of its financial business, maintained its original aspiration for the industry, properly balanced functionality and profitability, and implemented the "investor-oriented" philosophy. It strictly complies with laws and regulations such as the *Securities Law of the People's Republic of China*, the *Consumer Rights Protection Law of the People's Republic of China*, the *Regulations for the Implementation of the Consumer Rights Protection Law of the People's Republic of China*, the *State Council's Opinions on Strengthening Supervision, Preventing Risks, and Promoting High-Quality Development of the Capital Market*, and the *Standards for Investor Rights Protection Work of Securities Companies*. It has formulated and implemented a series of systems, including the Management Measures for Investor Rights Protection Work of Guotai Junan Securities Co., Ltd. and the Management Measures for Participation in Combating Illegal Securities Activities of Guotai Junan Securities Co., Ltd., effectively fulfilling the responsibility of protecting the legitimate rights and interests of investors, and firmly embedding the concept of investor rights protection in both thought and action.

In 2023, to further strengthen the institutional construction and organizational support for the protection of investor rights, Guotai Junan established the Investor Rights Protection Committee, with the Company's president serving as the chairman, responsible for coordinating and deploying the Company's investor rights protection efforts. In 2024, to implement the relevant requirements of the *State Council's Opinions on Strengthening Supervision, Preventing Risks, and Promoting High-Quality Development of the Capital Market* regarding investor rights protection, and to enhance the quality and efficiency of the Company's investor rights protection work, Guotai Junan established a special Investor Rights Protection Department, further improved the Company's investor rights protection mechanisms and organizational structure, adjusted and optimized the main responsibilities, committee members, and executive departments of the Investor Rights Protection Committee of the Company, and revised the *Rules of Procedure for the Investor Rights Protection Committee of Guotai Junan Securities Co., Ltd.* After adjustments, the Company's Investor Rights Protection Committee, with the Investor Rights Protection Department as the executive department of the Committee, coordinated with the three major customer service system leading departments of retail customers, institutional customers and corporate customers to jointly implement the Company's investor rights protection requirements.

Table 7-15 Major Initiatives for Investor Rights Protection

Refinement and expansion of investor protection team

- The Company has set up investor protection specialists, investor education specialists and complaint specialists in each department and each branch according to the relevant management system. These three types of specialists (full-time or part-time) are respectively responsible for the special tasks of investor protection, investor education and complaint handling, and perform their respective duties and make overall planning and coordination to better promote the communication and deepen the implementation of the Company's investor rights protection work, and further enhance the synergy and efficiency of the Company's investor protection work.

Continuously optimize the mechanism for combating illegal activities and achieving positive results in preventing and combating illegal activities

- A cross-departmental "Counterfeit Incident Response Task Force" was established to swiftly and collaboratively handle reported leads on various illegal securities activities.
- Leveraging the third-party network technology, the monitoring and early warning analysis of counterfeiting incidents and fraudulent activities has been carried out, and new counterfeiting incidents and fraudulent activities have been regularly inspected, monitored and dealt with.
- The Company's official website and customer service hotline 95521 are uniquely certified on commonly used search engines on the internet, aiming to provide convenience for the public when searching for verified information and avoid being misled.
- The prevention and control of illegal financial activities has been intensively strengthened. The publicity and education work on the prevention of illegal financial activities has been continuously and effectively carried out, and the public's awareness of the prevention of illegal financial activities has been raised.

Assisting regulatory authorities in conducting customer awareness, safeguard and exercise of rights and investor education

- In 2024, the Company assisted the China Securities Investor Services Center in organizing 7 batches of data screening of qualified investors for 5 stocks and the collection of investors' willingness to safeguard their rights, providing an effective way for investors to safeguard their rights.
- Assisted the China Securities Investor Services Center in hosting 2 "Understand My Listed Company" events, which helped investors gain a more intuitive and in-depth understanding of listed companies and industry development.

Actively organizing and carrying out investor protection investigations

- In 2024, the Company assisted the China Securities Investor Protection Fund Corporation in conducting 17 monthly and special investor surveys, and the annual insurance survey covered more than 3,000 investors.

Regularly conducting investor protection training and continuously enriching the course system

- In order to enhance the understanding of all departments and branches of the Company on the protection of investors' rights and interests, in 2024, the Company regularly held special trainings on the protection of investors' rights and interests, which covered the introduction of insurance application rules and business knowledge, diversified dispute resolution, complaint analysis and countermeasures, the protection of investors' personal information and other aspects. Through various forms such as inviting external experts to give lectures and organizing outstanding business departments to share their experience in investor protection, the Company continuously improved the awareness and understanding of each unit of the Company on investor protection.
- The Company's training platform has launched a number of internally developed investor protection courses, as well as investor protection and investor education courses provided by the Securities Association of China, to continuously improve the Company's investor protection training course system.

Guotai Junan has won a number of honors for the protection of investors' rights and interests, and has been awarded as the "Excellent Investor Contact Point" and "Excellent Investor Liaison Point" by the China Securities Investor Service Center for many times. It was also awarded the titles of the "Excellent Branch for Securities Market Investigation", "Excellent Branch Manager for Securities Market Investigation", and "Excellent Investigator for Securities Market Investigation" in 2023 by China Securities Investor Protection Fund Corporation. In 2024, the project named *Guotai Junan Securities creates a "before, during and after" working model to comprehensively improve the quality and effectiveness of investor rights protection* won the "First Prize in Investor Education and Protection" in the "Financial Public Business Service Team" project evaluation of the Shanghai Financial Workers Merit Competition.



Topic 7-3 Guotai Junan once again won the national championship of the *Shareholders Are Coming* investor rights knowledge competition

Starting from May 15, 2024, the China Securities Investor Services Center, in collaboration with the securities regulatory bureaus of Shanghai, Jiangsu, Tibet, and Shenzhen, have jointly hosted the *Shareholders Are Coming* (2024) Investor Rights Knowledge Competition. As China's first nationwide knowledge competition themed on investor rights, *Shareholders Are Coming* extensively mobilized industry professionals and investors to promote knowledge of investors' rights and interests, and guided investors to make "long-term investment, valuable investment, rational investment" and to "fully understand their rights, actively exercise their rights, and safeguard their rights in accordance with the law". It has been widely recognized and praised by all sectors of society. On October 31, 2024, the *Shareholders Are Coming* -2024 Investor Rights Knowledge Competition came to a successful conclusion. After helping the Shanghai region win the national first place in the preliminary stage, the Guotai Junan Securities Team, representing the Shanghai region in the finals in Changsha, Hunan, stood out in the fierce competition with its outstanding performance and a 100% correct answer rate, once again won the "National Champion" after 2019. Meanwhile, the Company, as the organizer, received the "Best Organizer Award," the gold and silver awards in the "Protecting Investors and Being Friends with Time" short video competition.



7.5.3 Customer Complaint Management

In order to listen to customers' opinions and suggestions, Guotai Junan has established a comprehensive investor interaction and communication channel as well as a customer follow-up mechanism. The Company has always attached great importance to the timely and effective handling of complaints received from customers. The Company has been adhered to the three principles of the first-inquiry responsibility system, time-limited completion system, and service commitment system. By establishing and improving the internal system for complaint handling, the Company clarifies the work requirements of "three systems in one" for handling customer complaints, and makes clear the whole-process closed-loop management requirements of the responsible unit for handling customer complaints, so as to promote the Company's complaint management to achieve rapid response, standardized handling, strict procedures, and full responsibility. The Company regularly analyzes customer complaints, puts forward suggestions for improvement or improvement with respect to the frequent customer complaints and management loopholes and institutional problems reflected in the complaints and disputes, and also conducts assessment and accountability based on the management and handling of customer complaints by each unit of the Company to improve the effectiveness of the Company's complaint management work.

In 2024, the number of customer complaints received by the Company showed an overall upward trend, mainly due to the severe fluctuations in the securities market, which led to a sharp increase in customer demands for account opening, account closure, and trading. During this process, various abnormal situations frequently occurred, and at the same time, customers' awareness of rights protection continued to increase. To this end, Guotai Junan has established a special Investor Rights Protection Department under the Legal and Compliance Division to play an active role in overall planning, coordination and supervision, and continue to manage customer complaints in a high-standard, standardized and scientific manner, so as to maintain a 100% complaint handling ratio.

Table 7-16 Investor Interaction and Communication Mechanism

Establish regular channels for interaction and communication with investors

- Investors' contact numbers, fax numbers and e-mail addresses were posted on the official website, at conspicuous places in the business premises of branches and other channels, and a column for investor relationship management was set up on the official website.
- The Company collects investor opinions and suggestions through the 95521 customer service hotline, offline business premises, investor education bases at all levels and various other channels.
- The Company will notify and remind investors of matters affecting the rights and interests of investors through public announcement on its official website and business premises, or other effective forms such as mobile internet application alerts and text messages.

Enhance the timeliness and effectiveness of investor interaction and communication

- The investor contact telephone numbers, faxes numbers and e-mail addresses displayed in the public domain shall be assigned to persons who are familiar with the situation and ensure that the lines are unobstructed during business hours, and that calls can be answered in an earnest and friendly manner, and feedback is provided to investors and supervision is accepted from investors in effective forms.

Improve the customer follow-up mechanism

- The Company has established an internal follow-up system and work guidelines to clarify the responsibilities, types of follow-up projects, and requirements for customer follow-up.
- Branches are guided to take different measures to deal with follow-up issues in different situations.
- The Company will earnestly fulfill its supervisory and management responsibilities and handle follow-up actions properly based on the actual work situation.

Table 7-17 Customer Complaint Management System

Establish and improve the complaint handling system

- All business units of the Company, in accordance with the *Guotai Junan Securities Co., Ltd. Customer Complaint Management Measures and the Implementation Rules for Customer Complaint Handling in Branches of Guotai Junan Securities Co., Ltd.*, clearly define the division of responsibilities, handling procedures, time limit requirements, response feedback, tracking and rectification, accountability, training arrangements, and document archiving requirements for complaint handling, earnestly handle customer complaints and suggestions, improve service quality and efficiency, and properly handle customer complaints and disputes.

Disclose complaint channels and handling procedures

- The contact information such as telephone number, fax number and e-mail address for complaints and the complaint handling process have been published on the Company's official website, mobile APP and at conspicuous positions on the business premises of the Company's sales department.

Implement the first asking responsibility system

- After determining the responsible unit of first asking, it shall perform the relevant responsibilities of customer complaint management in accordance with the Company's regulations, without prevarication or delay for any reason.
- The responsible unit of first asking shall investigate the basic facts of the complaint, carry out work such as comforting, explaining, coordinating and providing information feedback to the complaining customers, and based on the facts of the complaint, endeavor to promote the proper settlement of the complaints and resolve the conflicts with the complaining customers.
- All units of the Company are obliged to provide assistance and cooperation, and provide support for complaint management and handling within the scope of their duties.

Standardize dispute mediation Work

- During the complaint handling process, the responsible unit of first asking may, choose to apply for mediation from a third-party mediation institution based on actual circumstances.
- If an ordinary investor submits a request for mediation in accordance with relevant laws and regulations regarding a dispute over its securities business with the Company, the Company shall agree and participate in the mediation process.
- With respect to the securities disputes arising from complaints, the Shanghai Securities, Fund, and Futures Industry Joint People's Mediation Committee recommended the Company to adopt small-claim fast-track mediation method, which shall be implemented in accordance with the *Operational Guidelines of Guotai Junan Securities Co., Ltd. on Small-Claim Fast-Track Mediation in Securities Disputes*.
- Litigation and arbitration cases arising from complaints shall be handled in accordance with the *Administrative Measures of Guotai Junan Securities Co., Ltd. on Cases Involving Litigation*.

Table 7-18 Customer Service Indicators

Indicator	Unit	2022	2023	2024
Number of customer inquiries ¹	10,000 person-times	373.38	443.91	802.72
Number of customer complaints ²	complaints	540	531	1,334
Complaint handling ratio	%	100	100	100
Percentage of customer satisfaction	%	--	97.30	96.67
Number of complaints involving substantiated breaches of customer privacy and loss of customer information	complaints	0	0	0

Note 1: The number of customer inquiries in 2024 increased year-on-year, mainly due to the volatile securities market in that year, which led to a significant increase in the number of customer inquiries, especially from the end of September to the end of October 2024, when the daily average number of customer inquiries reached about 10 times the normal level.

Note 2: The number of customer complaints in 2024 increased year-on-year, mainly due to the volatile securities market in that year, which led to a sharp increase in customer demand for account opening, account closing and trading, and various abnormal situations occurred frequently in this process.

7.5.4 Responsible Marketing

Guotai Junan strictly complies with laws and regulations such as the *Securities Law*, the *Securities Investment Fund Law*, the *Regulations on the Supervision and Management of Securities Companies*, the *Measures for the Management of Suitability of Securities and Futures Investors*, the *Measures for the Management of Securities Brokerage Business*, and the *Guidelines for the Implementation of Suitability Management of Investors by Securities Business Institutions (Trial)*, and earnestly implements the investor suitability management regulations of regulatory authorities and the

investor suitability management requirements of self-regulatory organizations, and standardized the Company's investor suitability management. The Company has formulated the *Investor Suitability Management Measures of Guotai Junan Securities Co., Ltd.*, which provided detailed implementation rules for investor suitability management in business areas such as the GEM market, the H-share "full circulation" brokerage business, the Beijing Stock Exchange, the risk warning stocks and delisting arrangement stocks business, the Southbound Stock Connect business, the STAR Market brokerage business, the convertible corporate bond business, the National Equities Exchange and Quotations brokerage business, the preferred stock business, the bond market, and the over-the-counter market, establishing a comprehensive system of investor suitability management. On this basis, the Company promptly revises operational standardized procedures and urges all business units to implement investor suitability management for relevant businesses in accordance with the operational standardized procedures.

Guotai Junan has established a comprehensive investor suitability management organizational system and formulated a joint working mechanism. The Company conducts a suitability management work inspection on a semi-annual basis, and cooperates with branches that are concerned by regulatory authorities to properly manage common irregularities. The Company also conducts internal reviews on the suitability of product sales and services, ranging from understanding customers, understanding products, and suitability matching to specific marketing language, risk disclosure and notification instructions, as well as record keeping, return visits and internal reviews every six months, to fully cover all matters related to the suitability management of product sales and investment advisory services. At the same time, the Company focuses on the verification and rectification of areas where irregularities are prone to or frequently occurred, such as promoting financial products through new media such as live broadcasts, self-media accounts, and internet groups, and providing securities and public fund investment advisory services.

The Company continues to properly carry out the promotion, guidance and training on investor suitability management, and systematically organizing the relevant laws and regulations, regulatory requirements, regulatory cases, and customer complaints on suitability management of securities companies, and disseminating them to all branches. A series of video training courseware for branch personnel has been produced, requiring all branch staff to complete the course within the specified time. In addition, each branch conducts targeted training on suitability management based on the actual conditions of their respective jurisdictions.

Table 7-19 Principles of Investor Suitability Management

Principle of Diligence and Responsibility

- All business units shall comply with laws, administrative regulations, and the provisions of these measures when providing financial products or services to investors, and perform their duties prudently with a diligent and responsible attitude.

Principle of Comprehensive Understanding

- All business units shall fully understand investors when conducting business for investors or selling products to them, including but not limited to the investors' basic information, financial status, investment experience, investment objectives, risk preferences and tolerance for losses, integrity records, actual controllers, and actual beneficiaries.

Principle of Unified Management

- The Company uses a unified questionnaire to conduct risk tolerance test on investors, and evaluates them according to the unified risk tolerance evaluation standards. The Company has established unified standards and suitability management framework, and the basic management of suitability of each product or service shall follow unified standards and processes.

Principle of Prudence

- The Company follows the principle of prudence to assess the risk tolerance of investors and the risk level of products or services. If investors purchase products or obtain services for which the suitability cannot be judged or does not match, each business unit should adhere to the principle of prudent judgment.

Principle of Ongoing Management

- The Company reviews and adjusts the investor suitability management process in a timely manner according to the changes in laws and regulations, self-regulatory rules and the Company's actual situation, and tracks the dynamic changes in the information and suitability matching of investors and financial products or services.

In order to further standardize the marketing and promotional activities of financial products or services and protect the legal rights and interests of financial consumers, Guotai Junan strictly adheres to relevant regulations such as the *Securities Law of the People's Republic of China*, the *Regulations on the Supervision and Management of Securities Companies*, the *Notice on Further Regulating Financial Marketing and Promotional Activities*, the *Securities Brokerage Business Management Measures*, and the *Implementation Rules for Securities Brokerage Business Management*, and has formulated and implemented the *Guotai Junan Securities Co., Ltd. Marketing and Promotional Activities Management Measures*. On this basis, the company has established and improved internal management mechanisms for marketing and promotional activities, strengthened the management of marketing campaigns and employee marketing behaviors, continuously tracked the specific content of services provided by marketing personnel, strictly regulated professional conduct, prevented various professional and moral risks, and effectively implemented pre-event content review of marketing and promotional activities, in-event activity traceability, behavior supervision, and risk monitoring, as well as post-event regular inspections and accountability for violations. The company conducts regular or ad hoc self-inspections on the implementation of marketing and promotional activity management requirements and promptly rectifies any issues identified.

In 2024, the company did not experience any substantial violations in investor suitability management or marketing and promotional behavior management, nor did it receive any regulatory penalties.

7.6 Investor Education

Investor education is one of the core components of the company's customer service efforts and an important part of the company's investor rights protection work. Guotai Junan's investor education initiatives have always adhered to the principle of "serving investor needs and fostering the development of rational investment awareness," guided by the principles of "public welfare, professionalism, uniqueness, and innovation." Through high-quality investor education, the company has built a solid line of defense for investor rights protection, actively practicing the concept of "finance for the people" with concrete actions.

Guotai Junan strictly complies with laws and regulations such as the *Opinions of the General Office of the State Council on Further Strengthening the Protection of the Legal Rights and Interests of Small and Medium-sized Investors in the Capital Market*, the *Guidelines on Investor Education Work for Members of the Shanghai Stock Exchange*, the *Guidelines on Investor Education Work for Members of the Shenzhen Stock Exchange*, the *Guidelines on Investor Education Work for Securities Operating Institutions*, the *Regulatory Guidelines for Securities and Futures Investor Education Bases*, and the *Guidelines on Investor Education Work for Publicly Offered Securities Investment Funds (Trial)*. The company has formulated and implemented the *Guotai Junan Securities Co., Ltd. Investor Education Work Management Measures*, and has integrated investor education into corporate strategy and culture. It ensures the implementation of investor education work from

aspects such as systems, organization, personnel, processes, and funding, strengthens the management of investor education work, and enhances the sustainability of investor education and services.

Guotai Junan possesses one national-level investor education base and seven provincial-level investor education bases. The company utilizes these bases and its branch offices as the forefront of service, combining online and offline methods to create and promote original investor education works, providing a high-quality investor education service experience characterized by "digitalization, technological innovation, and immersion," comprehensively enhancing the effectiveness of investor education and shaping a premium investor education brand. In 2024, the company released over 1,300 original investor education products, with readership and click-through rates exceeding 244 million; it organized 5,262 investor education events, with participation exceeding 11.55 million person-times, including 494 financial literacy education events for youth, covering over 117,500 person-times, effectively driving the high-quality development of the company's investor education efforts.

In 2024, the Company's national investment and education base was rated as Excellent by the China Securities Regulatory Commission for six consecutive years, and the 2023 joint evaluation of corporate investor education by the Securities Association of China, the Shanghai Stock Exchange, the Shenzhen Stock Exchange and the National Equities Exchange and Quotations was awarded Class A rating. In 2024, the Company won 36 honors for its investment and education work, including 25 honors from higher-level regulatory agencies and competent authorities, including the "Shanghai State-owned Enterprise Open Day" Demonstration Site of the Shanghai SASAC, the SASAC Youth Civilization Account, and the Shanghai Stock Exchange Investment. The Best Practice Case Award for Human Rights Protection, etc.

Table 7-20 Major Investor Education Initiatives in 2024

Building AI investment and education intelligence

- Attach great importance to the application and innovation of AI (artificial intelligence) large-scale models in serving investors, set up a professional team, invest resources in the research and development of AI investment education agents, and provide customized investment education content according to the individual needs of investors.
- Actively participate in the construction of the CSRC's large-scale model application service platform, build an AI investment education assistant with functions such as intelligent Q&A, risk assessment, and plan recommendation, and cooperate with the CSRC Science and Technology Department and peers to optimize products. The AI investment and education assistant is highly recognized by the Science and Technology Department of the China Securities Regulatory Commission and its peers.

Conduct investor education themed activities

- Combining online and offline channels, the Bank organized and carried out investor education activities such as "3.15" investor protection theme education and *Shareholders Are Coming* 2024 Investor Rights Knowledge Competition through diversified forms such as lectures, quiz competitions, and public welfare actions. Raise investors' awareness of risk prevention.
- In 2024, a total of 5,262 investor education events were conducted, covering more than 11.55 million investors.

Develop original products for investor education

- Make full use of video, animation, online games and other presentation forms and new media platforms such as Weibo, WeChat official account, Xinhuanet, etc., to output high-quality and diversified investment education products to help investors understand the risk-return characteristics of investment products and improve investment professional competence.
- In 2024, we created more than 1,300 investment education projects of various types, of which the total number of clicks on electronic education investment products exceeded 244 million, and the investment education projects produced won a total of 16 awards.

Promote the integration of investor education into the national education system

- Through investor education on campus, investor education in 100 schools, and youth financial and business education, the "One Council, One Bureau, One Division, and One School" action initiative has been implemented to promote the further integration of investor education into the national education system.
- Through pairing assistance to left-behind children and students of Hope Primary School, organizing financial and business education practices and career experience activities, supplemented by the production of financial and business education books, series of courses and supporting products, we cultivate young people's financial and business awareness and money concept.
- In 2024, 494 financial and business education activities and lectures were held in Shanghai, Gansu, Jiangxi, Guangxi, Liaoning and other provinces and cities, covering a total of over 117,500 students.

Table 7-21 Highlights of Investor Education Activities in 2024

A group of 62 people from the International Training Class of the International Cooperation Center of the National Development and Reform Commission entered the Guotai Junan Education Base



The 2024 "Five Advances" series of publicity campaigns for preventing and combating illegal finance in Shanghai and the "Financial Knowledge Entry Camp" hosted by Guotai Junan Investment and Education Base were launched in a camp of the Armed Police Force Shanghai Corps



Featured investor education events



"Entering a Listed Company" Themed Education Activity



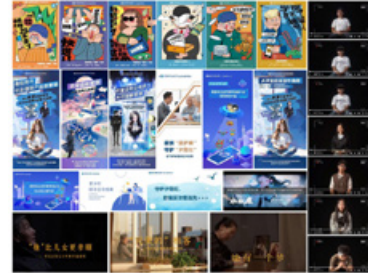
"Investing in Education into the Community" Anti-fraud Theme Activity



Themed activities of "Investing in Education on Campus"



Anti-illegal-themed original education investment products



Topic 7-4 Guotai Junan launched investor education on data security and privacy protection

Guotai Junan integrates data security and customer privacy protection into investor education activities to raise investors' awareness of cybersecurity, protect their own data and privacy security, avoid property losses, and protect investors' legitimate rights and interests. During the "National Cybersecurity Publicity Week" in 2024, 9 tweets related to investor cybersecurity awareness education were released through platforms such as the official website of the Company's investment education base, WeChat official account, and the Financial Associated Press, with over 1.86 million views.



Table 7-22 Investor Education Honours and Awards Received in 2024

<p>Guotai Junan Securities' national (physical) investor education base has been rated as "Excellent" by the China Securities Regulatory Commission for six consecutive years.</p>	<p>The China Securities Investor Services Center awarded the 2023 Outstanding Investor Contact Points.</p>	<p>Shanghai State-owned Assets Supervision and Administration Commission awarded the "Shanghai State-owned Enterprise Open Day" demonstration site recognition.</p>	<p>The Shanghai State-owned Assets Supervision and Administration Commission awarded the title of "2023 Youth Civilization Unit of the Municipal State-owned Assets Supervision and Administration Commission System."</p>
<p>The Investor Rights Knowledge Competition <i>Shareholders Are Coming</i> jointly organized by the China Securities Investor Services Center and the securities regulatory bureaus of Shanghai, Jiangsu, Tibet, and Shenzhen has crowned the national champion in the 2024 event.</p>	<p>The Company won the Best Undertaker Award in the <i>Shareholders Are Coming</i> (2024) Investor Rights Knowledge Competition co-organized by the China Securities Regulatory Commission and the Securities Regulatory Bureaus of Shanghai, Jiangsu, Tibet and Shenzhen.</p>	<p>Created an all-round work model of "before, during, and after the event" to comprehensively improve the quality and efficiency of investor rights and interests protection. Won the special meritorious competition in the 2024 Financial Workers' Merit Competition hosted by the Shanghai Municipal Financial Trade Union Working Committee and the Communist Youth League Shanghai Financial Work Committee Business-specific awards.</p>	<p>The case <i>AI Big Model Digital Intelligence Platform Helps High-Quality Upgrade of Customer Service</i> won the second prize of innovation case in the key meritorious competition in the 2024 Financial Workers' Merit Competition sponsored by the Shanghai Municipal Financial Trade Union Working Committee and the Communist Youth League Shanghai Financial Working Committee.</p>
<p>Shenzhen Stock Exchange, Beijing Stock Exchange, Shanghai Stock Exchange, and China Securities Small and Medium Investor Service Center are the guiding units, and the Securities Times has awarded the member units of the "Spark Plan" for capital market investment and education.</p>	<p>The Financial Readable Organizing Committee presented the Investment Education Demonstration Award.</p>	<p>Hong Kong Stock Exchange presented the 2023 Southbound Stock Connect Investor Education Merit Brokerage Award.</p>	<p>The Shenzhen Stock Exchange presented the Outstanding Organization Award for the 2023 "Working Hard" Investment and Education Activity.</p>
<p>Shenzhen Stock Exchange presented the 2023 Best Case Award for Promoting the Inclusion of Investors in National Education.</p>	<p>The Chinese Athletics Association awarded the 2023 Excellent Organization Demonstration Unit of the Chinese Athletics Association's Running All Over China Series.</p>	<p>The Chinese Athletics Association awarded the 2023 Outstanding Influential Demonstration Unit of the China Athletics Association's series of activities in China.</p>	<p>In the 2024 China Securities Dealer Yinghua Demonstration Case Event, <i>China Fund News</i> awarded Outstanding Wealth Management Demonstration Institution, Outstanding Broker Fintech Demonstration Institution, Excellent Wealth Management Brand Demonstration Case, Outstanding Securities Dealer APP Demonstration Case, Outstanding Securities Dealer AI Demonstration Case, and Outstanding Securities Dealer Investment 6 awards for education demonstration cases.</p>
<p>Financial Associates presented the "Best Investor Education" award at the 3rd Wealth Management Forum and the 1st Wealth Management Huazun Awards.</p>	<p>The Financial Association presented the "Innovative Physical Education Base Award" in the first annual financial education selection of the "Financial Alliance Star Induction Cup" in 2024.</p>	<p>The Shanghai State-owned Enterprise Ideological and Political Work Research Association (Shanghai State-owned Enterprise Culture Promotion Association) issued the 2024 "Shanghai State-owned Enterprise Good News" Excellent Organization Award.</p>	<p>Guotai Junan Securities National (Entity) Investor Education Base has been rated as a student social practice base in Pudong New District, Shanghai.</p>
<p>Shanghai Jing'an District Investment Promotion Office and Shanghai Jing'an District Amateur University issued letters of appointment to members of the Jing'an District Financial Risk Prevention Publicity Team.</p>	<p>The work <i>Prosperous Era Journey</i> was awarded the Best Investor Education Work of the Year 2023 for the Comprehensive Registration System by the Shenzhen Stock Exchange.</p>	<p>The work <i>Prosperous Era Journey</i> was awarded the 2023 Outstanding Investor Protection Practice Case Award by the Shanghai Stock Exchange.</p>	<p>The work <i>He is More Filial Than His Children</i> won the second prize in the video category of the 2024 Shanghai Outstanding Publicity Works Collection and Evaluation Activity for Preventing and Combating Illegal Financial Activities, organized by the Municipal Financial Stability Coordination Joint Conference Office and co-hosted by the Municipal Financial Stability Development Research Center, the Municipal Financial Trade Union, and the Municipal Financial Youth League Working Committee.</p>

The work *He Who Can't Guess* won the third prize in the video group in the 2024 Shanghai Municipal Excellent Publicity Works for Preventing and Combating Illegal Financial Activities, jointly organized by the Municipal Financial Stability and Development Research Center, the Municipal Financial Trade Union, and the Municipal Financial League Working Committee. award.

The work *New Urban Anti-fraud Propaganda Story Poster Picture Group* was hosted by the Office of the Municipal Financial Stability Coordination Joint Conference and jointly undertaken by the Municipal Financial Stability and Development Research Center, the Municipal Financial Trade Union, and the Municipal Financial League Working Committee in 2024. Won the third prize in the graphic and text category in the selection of outstanding publicity works for illegal financial activities.

The work "315 Special Gift - No Alien Investment" won the Investor Education Innovation Award from Panorama.com.

The work *Shares with Gold Comes and Juntong* was presented in the *Shareholders Are Coming* (2024) "Guarding Investors, Be a Time Friend" Insurance Video Contest hosted by the Investor Service Center and Tencent Group (Financial Consumer Rights Protection Department) won the Gold Award.

The work *Investment Time Guardian* won the Silver Award in the *Shareholders Are Coming* (2024) "Guarding Investors, Be a Time Friend" Insurance Video Competition hosted by the Investor Service Center and Tencent Group (Financial Consumer Rights Protection Department). award.

The work *ETF Investment Factory, Together for a Bright Future* won the Excellent Securities Company Investor Education Demonstration Case Award issued by China Fund News.

The work *My Investment Collection* won the Best Work Award of the 4th National Education Animation Competition by Shenzhen Stock Exchange, Satire and Humor (People's Daily Comic Supplement), and Securities Times.

The work *A Journey of a Thousand Miles* won the Excellence Award of the 4th National Education Animation Competition by Shenzhen Stock Exchange, Satire and Humor newspaper (People's Daily Comic Supplement), and Securities Times.

The work *The Long River of Capital: The Pulse of the Times* won the Excellence Award of the 4th National Education Animation Competition by Shenzhen Stock Exchange, Satire and Humor (People's Daily Comic Supplement), and Securities Times.

The work *Capital Market and My Family and Country Feelings* won the Excellence Award of the 4th National Education Animation Competition by Shenzhen Stock Exchange, Satire and Humor (People's Daily Comic Supplement), and Securities Times.

The work *National Tide Stage* won the Best Animation IP Award of the 4th National Education Animation Competition by Shenzhen Stock Exchange, Satire and Humor (People's Daily Comic Supplement), and Securities Times.

The work *Shares and Gold Comes with Juntong* won the "Impact Investment Education Work Award" in the first annual financial education selection of the "Financial Linked Stars Cup" in 2024.

The work *Guotai Junan Education Base: Practicing the Philosophy of Finance to Serve the Country and Delivering the Power of Finance for Good* won the 2024 "Shanghai State-owned Enterprise News" Outstanding Video Work Award.

7.7 Data Security and Customer Privacy Protection

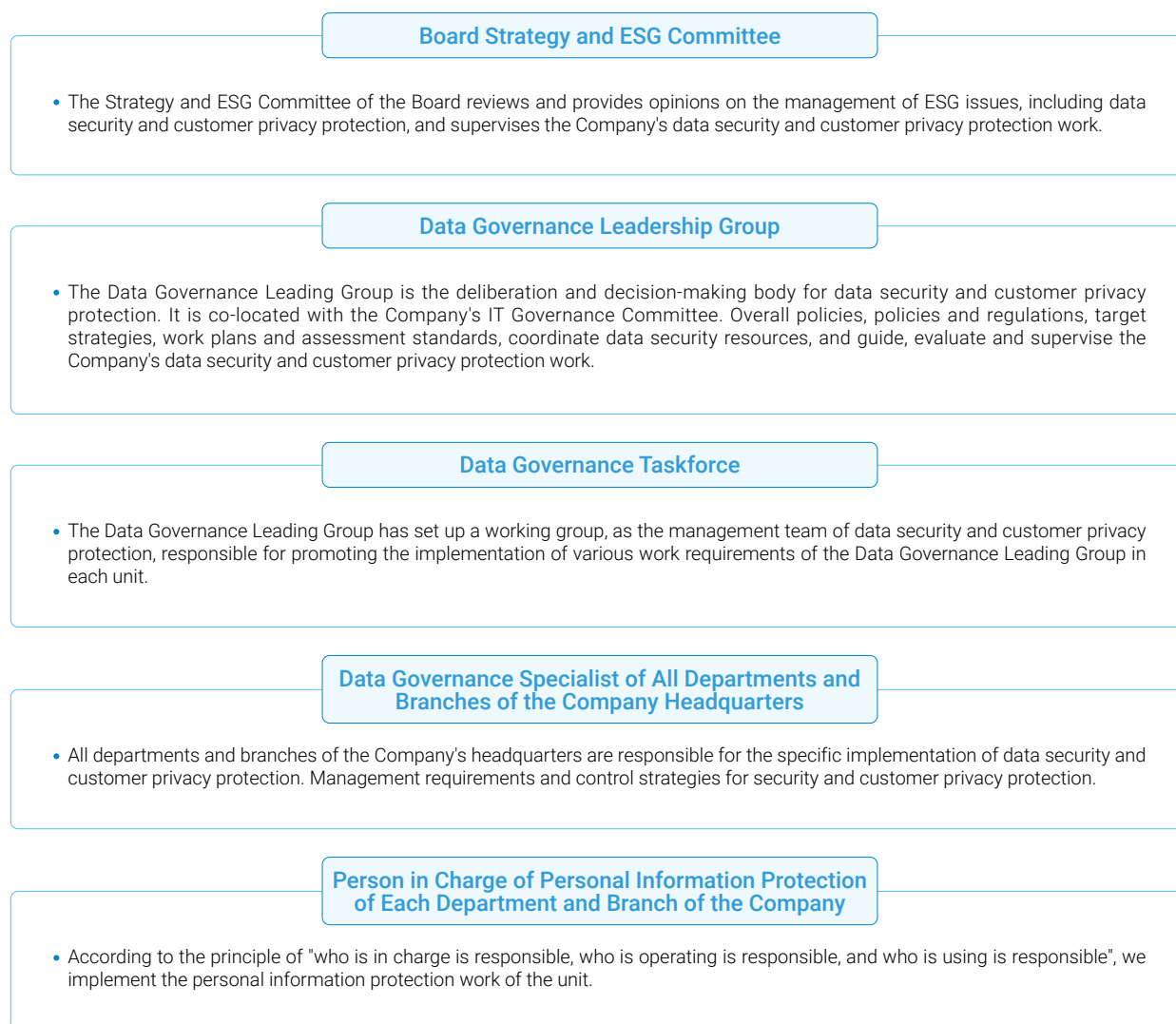
7.7.1 Governance

Guotai Junan attaches great importance to data security and customer privacy protection, continuously deepens the work of data security and customer privacy protection, integrates data security and customer privacy protection into various business and links of the company, and is committed to building a more sound data security system and customer privacy protection mechanism, creating a safe and reliable business development environment. The Company strictly abides by the *Personal Information Protection Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *Cybersecurity Law of the People's Republic of China*, the *Information Security Technology-Personal Information Security Specification*, the *Administrative Measures for Network and Information Security of the Securities and Futures Industry*, and the *Guidelines for Data Security Management and Protection in Securities and Futures Industry*, *Guidelines for Data Classification and Classification in Securities and Futures Industry*, *Security Specification for Mobile Internet Application in Securities and Futures Industry*, *Technical Specification for Personal Financial Information Protection*, and *Specification for Security Management of Mobile Financial Client Application Software*, etc. We urge, strengthen and standardize network and data security management and personal information protection in accordance with laws, regulations and regulatory requirements, escort the Company's various businesses, and protect the rights and interests of customers' personal information subjects.

In order to standardize the management system for data security and customer privacy protection, the Company has formulated the *Administrative Measures for Personal Information Protection of Guotai Junan Securities Co., Ltd.*, the *Administrative Measures for Data Governance of Guotai Junan Securities Co., Ltd.*, and the *Business System Authority and Information Security of Guotai Junan Securities Co., Ltd. Administrative Measures*, *Guotai Junan Securities Co., Ltd., Detailed Implementation Rules for the Management of Personal Information Protection Impact Assessment*, and *Guotai Junan Securities Co., Ltd.* The main objectives, basic requirements, work tasks, and protective measures of security are aimed at preventing risks caused by data leakage or improper use of personal information, strengthening and standardizing the company's network and data security management, and protecting the company's information system and data security. Among them, the *Administrative Measures for Personal Information Protection of Guotai Junan Securities Co., Ltd.* is the top-level system of the personal information protection system. Control requirements and risk assessment management requirements. The *Implementation Rules for Data Security Management of Guotai Junan Securities Co., Ltd.* clarifies the security protection requirements at each stage of the data life cycle on the basis of data classification and classification, and establishes security management and control covering data collection, data presentation, data transmission, data processing, and data storage. We have established a framework to continuously promote the orderly flow of data on the basis of security and compliance. The Company's main online customer service APPs (including Guotai Junan Junhong and Guotai Junan Daohe) have publicly and clearly informed customers of the privacy policies *Guotai Junan Securities Internet Platform Privacy Policy* and *Guotai Junan Daohe Platform Privacy Policy*.

Following the work policy of "clear responsibilities, reasonable authorization, standardized procedures, and integration of technology and management", the Company has established a data security and customer privacy protection governance framework composed of the Board of Directors' Strategy and ESG Committee, the data governance leading group, the data governance working group, the data governance executive layer, and the person in charge of personal information protection. We are committed to creating a more secure, transparent, compliant and efficient management system.

Table 7-23 Data Security and Customer Privacy Protection Governance Structure



7.7.2 Strategy

In the context of the increasingly widespread adoption of FinTech and the increasingly complex cybersecurity environment, data security and customer privacy protection have become key management areas for financial institutions. On the one hand, negative incidents of data security or customer privacy protection will lead to reputational risks and reduce customers' trust in the company. On the other hand, continuously strengthening data security and customer privacy protection will help the Company win the trust of customers and thus gain a competitive advantage in the industry.

Table 7-24 Analysis of Risks and Opportunities Related to Data Security and Customer Privacy Protection

Category	Risk description	Opportunity description
Compliance and Reputation Management	<ul style="list-style-type: none"> As companies accelerate their digital transformation, the probability and complexity of security incidents such as cyber-attacks and data breaches continues to increase. Issues with data security and customer privacy protection may expose the company to compliance and reputational risks. 	<ul style="list-style-type: none"> As a pioneer in Fintech, the Company's investment in information technology has always been at the forefront of the industry. By investing more in data security and customer privacy protection, the Company can demonstrate its strong technical strength and enhance customers' trust in the Company's products and services.
Customer rights and interests protection	<ul style="list-style-type: none"> If negative incidents related to data security and customer privacy protection occur in the company, customers may question the company's management level. Customer privacy breaches can harm customers' rights and interests, reduce customer satisfaction, and in turn lead to customer churn and lost revenue. 	<ul style="list-style-type: none"> Through standardized data security and customer privacy protection, we can enhance customers' sense of security and satisfaction, and further strengthen customer relationships. The Company's efforts in data security and customer privacy protection can enhance customers' loyalty to the Company's brand and bring potential business opportunities.

For a long time, Guotai Junan has attached great importance to the establishment and improvement of data security and customer privacy protection mechanisms to ensure the security and confidentiality of customer information and prevent damage to customers' rights and interests caused by information leakage. management level, and jointly build a more secure and reliable data ecosystem.

7.7.3 Impacts, Risks and Opportunities Management

By benchmarking against the mature data security management framework requirements of DSMM (Data Security Maturity Model), Guotai Junan has established a complete data security management system and multi-layered organizational and institutional structure, and continuously improved diversified data security management tools. In the process of improving the maturity of DSMM, identifying and rectifying data security risks, the Company has conducted key inspections and reinforcements in the fields of classification and classification, identity authentication, access control, monitoring and auditing, emergency response, storage and backup, etc. The promotion model of "standards-gap identification-risk assessment-rectification and improvement" has effectively improved the Company's data security system and capabilities.

In terms of data security, in order to respond to potential information and privacy leakage incidents and prevent possible risks in the company's data security protection mechanism, Guotai Junan adopts a combination of active and passive data security protection measures to quickly contain and reduce data leakage incidents. and negative impacts on customer rights and interests. The Company ensures compliance with information security policies through regular internal and external audits and ensures that system assurance meets industry standards.

Table 7-25 Data Security Management Measures

Main measures	Specific practices
Active and passive data security protection measures	<p>Active measures</p> <ul style="list-style-type: none"> Establish an early warning and response mechanism. For emergencies, report in detail on the basic situation of the incident, the possible impact scope and consequences, preventive measures taken, and relevant suggestions, and provide differentiated recommendations for each level according to the severity and urgency of the incident. Early warning and handling requirements, taking corresponding preventive measures, and preparing equipment and resources required for emergency response. Establish a data desensitization system. The system has functions such as accurate sensitive data discovery, rich data masking algorithms, unified sensitive metadata management, multiple task distribution, diverse data masking methods, data consistency assurance, and a complete security audit and dynamic monitoring system. The Company uses the data desensitization system as an important tool platform to effectively protect customer privacy and improve the security of sensitive data. <p>Passive measures</p> <ul style="list-style-type: none"> Establish an organizational structure for emergency management, determine key businesses and their recovery targets, formulate emergency plans, allocate sufficient key information technology resources, and properly handle information technology emergencies, actively carry out emergency drills, and evaluate and improve information technology emergency management. The organizational structure of emergency management includes emergency command leading group, emergency response working group, emergency linkage working group, and emergency planning working group. Establish an emergency response mechanism, establish a five-level event grading standard according to the event characteristics, such as the duration of the event, the degree of data damage, and the degree of damage to the country's financial security, social order, and investors' legitimate rights and interests, and initiate emergency response according to the event classification. Process to deal with in a timely and effective manner. Establish an emergency guarantee mechanism. Based on the results of the Company's business impact analysis and information technology service continuity risk assessment, under the guidance of the information technology service continuity strategy, the resources required for information technology service continuity management are established and regularly maintained to ensure the continuity of information technology services. The plan was executed smoothly.
Conduct internal audit on information security and privacy protection	<ul style="list-style-type: none"> In terms of internal audit, the Company conducts annual internal audit investigations in accordance with the <i>Approval Methods for Illegal Collection and Use of Personal Information by Apps</i> and the <i>Notice of the Ministry of Industry and Information Technology of the Ministry of Industry and Information Technology on Carrying out Special Rectification Actions for In-depth Promotion of App Infringement of User Rights and Interests</i>. Personal information security compliance issues were optimized and rectified. In terms of data security risk assessment, the Company has introduced an external assessment agency to conduct network data security risk assessment for big data platforms with reference to the <i>Cybersecurity Standard Practice Guide — Implementation Guide for Network Data Security Risk Assessment</i>, and formed a risk analysis list. Completed the rectification of major risks and deficiencies.
Passed the graded protection assessment	<ul style="list-style-type: none"> The Company attaches great importance to the graded protection of network security and fully recognizes that classified protection is not only a requirement of the state for cybersecurity assurance in important industries, but also an objective requirement for the securities and futures industry to maintain the safe operation of information systems and the healthy and stable development of the capital market. The Company has carried out graded protection filing in accordance with the relevant requirements of the <i>Basic Requirements for Graded Protection of Information Security Technology Cybersecurity</i> and the <i>Basic Requirements for Graded Protection of Cybersecurity in the Securities and Futures Industry</i>. Security rating protection assessment work. The Company actively participates in the construction of graded protection standards in the financial industry and securities industry, and promotes the implementation, improvement and optimization of graded protection standards in the industry.
Passed ISO27001 certification and received annual audit	<ul style="list-style-type: none"> The Company's Information Technology Department, Data Center, Data Management and Application Department, and Asset Custody Department have passed the ISO27001 information security management system certification, covering all of the Company's data centers and computer rooms, and applicable to most (over 90%) of the Company's business. The Company entrusts the China Cybersecurity Review and Certification Center (CCRC) to conduct certification, supervision and audit. The scope of certification includes the relevant application development, operation, management services, Disaster recovery business.

In terms of customer privacy protection, Guotai Junan strictly abides by the *Information Security Technology and Personal Information Security Specification* and other laws, regulations and standards. Management practices for collecting and processing customer information, controlling access to sensitive data, granting customer permissions, and product and service development in all aspects to protect customer privacy information.

Table 7-26 Customer Privacy Protection Management Measures

Main measures	Specific practices
Customer Information Collection	<ul style="list-style-type: none"> The Company collects and uses customers' personal information in accordance with the principles of legality, legitimacy, necessity, integrity, openness, and transparency and for the purposes stated in the relevant policies. If the customer's personal information is used for other purposes not specified in the policy, or if the customer's personal information is collected for other specific purposes, the Company will inform the customer in a reasonable manner and obtain the customer's consent again before use. The Company adheres to the principle of "minimum and necessary collection", collects data that meets the needs of business development or operation and management, and is consistent with the content of contract agreements and privacy policies, and does not collect data beyond the scope. Data collection activities will cease immediately upon cessation of the relevant business or when there is no need to continue data collection. The Company retains relevant compliance certificates of the collected data, such as third-party contracts and agreements, consent records of personal information subjects, etc., and shall not purchase or use third-party data obtained illegally or from unknown sources.
Customer Information Processing	<ul style="list-style-type: none"> The Company will set the data storage period for different types of data in accordance with the relevant provisions of the state, industry authorities and internal regulations, as well as the time limit agreed with the personal financial information subject. Data that exceeds the storage period stated in the relevant regulations, internal regulations and contract agreements of national and industry authorities will be deleted. For companies, organizations and individuals entrusted by the Company to process customers' personal information, the Company will require them to handle personal information only in accordance with the Company's requirements, privacy policies and any other relevant confidentiality and security measures. Except in specific circumstances and as otherwise required by relevant laws, the Company will not provide or transfer customers' personal information to third-party companies, organizations or individuals.
Sensitive data access control	<ul style="list-style-type: none"> For customers' personal data and sensitive data, the Company has carried out strict access control in terms of data transmission, storage, use, display, and sharing, and has established relevant data security protection mechanisms. The Company's data security protection mechanism covers data transmission, data storage, data use, data display, and data sharing.
Empower customers	<ul style="list-style-type: none"> The Company guarantees that customers exercise their rights to access, copy, transfer, correct, delete, change or withdraw the scope of authorization and consent, cancel accounts, refuse personalized recommendations, and other rights stipulated in the <i>Personal Information Protection Law of the People's Republic of China</i> with respect to their personal information. We also provide customer service hotlines and customer service emails for customers to contact at any time. In the <i>Administrative Measures for the Protection of Personal Information of Guotai Junan Securities Co., Ltd.</i>, the Company clearly requires the management of the storage period of personal information in its systems and the deletion or anonymization of non-essential data in a timely manner.
Product and Service Development Specifications	<ul style="list-style-type: none"> In the process of product and service development, the Company adopts management requirements such as updating the <i>Privacy Policy of Guotai Junan Securities Internet Platform</i> and formulating the <i>Technical Standards for Personal Information Protection of Securities APPs</i> to take security measures for the whole life cycle of personal information. Specific measures include using a secure keyboard for input, using https for encrypted transmission, not storing C3 personal financial information (mainly account passwords) in the client terminal, and hierarchical rights management of customer information. to minimise potential negative impacts on individual rights.

Main measures	Specific practices
Conduct publicity and education on customer privacy protection	<ul style="list-style-type: none"> The Company held a special training on personal information protection for all departments of the headquarters, personal information protection responsible persons and insurance application specialists of each branch. Conduct systematic training and communication on the Company's personal information protection work requirements. The Company has carried out training and publicity work covering the protection of personal information of all employees of the Company. Publicity is carried out through the Company's fully connected platform and the Company's E-Learning training system. The Company integrates data security and customer privacy protection into investor education activities to raise investors' awareness of cybersecurity, protect their own data and privacy security, avoid investor property losses, and protect investors' legitimate rights and interests. During the "National Cybersecurity Publicity Week" in 2024, 9 tweets related to investor cybersecurity awareness education were released through platforms such as the official website of the Company's investment education base, WeChat official account, and the Financial Associated Press, with over 1.86 million views.

Table 7-27 Data Security and Customer Privacy Protection Measures

Main measures	Specific practices
Training for employees and outsourcers	<ul style="list-style-type: none"> The Company attaches great importance to the training and assessment of data security and customer privacy protection, regularly conducts training for all employees of the Company's headquarters, branches, and subsidiaries, and conducts data security training for outsourced personnel in the information technology line every year. The Company regularly conducts diversified activities such as online training, phishing email test, and on-site case experience to systematize and standardize data security training and closely integrate it with actual work to improve employees' data security protection level during daily office and business development. The Company conducts training and publicity on compliance risk control culture through on-site, online, email communication and other forms, and conducts phishing email test to all employees of the Group to publicize the knowledge of anti-phishing attacks to deepen employees' awareness of data security risks and prevention skills. cognitive ability. In 2024, 66,218 employees of the Company participated in training related to data security and customer privacy protection, and 663 outsourced employees participated in training related to data security and customer privacy protection.
Supplier data security management	<ul style="list-style-type: none"> For all supplier partners, the Company requires their data cooperation to comply with Guotai Junan's data security management requirements. With reference to the requirements of the <i>Administrative Measures for Network and Information Security of Securities and Futures Industry</i>, <i>Administrative Measures for Information Technology of Securities Fund Operating Institutions</i>, and <i>Administrative Measures for Suppliers of Guotai Junan Co., Ltd.</i> In order to strengthen the security level of the company's data management system, and to help improve the overall level of data security in the industry. The Company has incorporated data security management into the supplier onboarding review process. After suppliers are admitted, they must sign the <i>Commitment Letter of Information Technology Service Provider</i>, <i>Commitment Letter of Information Technology Confidentiality</i>, and <i>Integrity Commitment</i>, and the Company will also carry out additional due diligence work on related services such as the construction of important IT system. The Company continuously monitors important information such as industrial and commercial changes and legal person changes of suppliers.



Topic 7-5 Guotai Junan received the industry's highest star certification for "Personal Information Protection Impact Assessment"

Personal information protection impact assessment (PIA) is the core business process of personal information protection work. As reviewed and approved by the third IT Governance Committee of the Company in 2024, the Company carried out PIA pilot work for core business scenarios such as centralized operation and OneLink, systematically studied and judged the potential impact of personal information processing activities on the rights and interests of subjects and data security risks, and identified individuals involved. We continue to promote the rectification and protection of potential risks throughout the life cycle of information and sensitive personal information, including collection, transmission, processing, storage, display, and download. On this basis, the Company introduced an external third-party agency to carry out PIA star certification for the Company, and finally obtained the PIA two-star logo, which is at the highest level in the industry. The highest level of personal information security in the industry.

7.7.4 Indicators and Targets

In 2024, Guotai Junan passed the Level 3 assessment of the Data Security Maturity Model (DSMM) and obtained the certification, becoming the first company in the industry to receive this certification, and the highest rating currently awarded by a domestic securities company in this field, marking the The Company has reached an industry-leading level in data security management and protection. In 2024, the Company received no confirmed complaints of customer privacy violations and loss of customer data, and no data security and customer privacy breaches occurred.

Table 7-28 Data Security and Customer Privacy Protection Indicators

Indicator	Unit	2022	2023	2024
Number of substantiated complaints of breach of customer privacy rights and loss of customer data	piece	0	0	0
Amount involved in data security incidents	RMB 10,000	0	0	0
Amount involved in customer privacy breach incidents	RMB 10,000	0	0	0

7.8 Human Capital Development

7.8.1 Governance

Adhering to the idea of "human is the most fundamental resource", Guotai Junan always deeply promotes the strategy of strengthening the Company by human talents, implements strategic human resources management, and continuously and proactively ponders how to enhance the impact of human efforts with overall planning, strategic deployment and coordinated implementation at all fronts for building an industry-leading human resources management system and nurturing a talent team being regarded as the top benchmark in the securities industry, so as to truly turn the "most fundamental resource" as the "most primary engine" for the high quality development of the Company.

In order to strengthen the organization and leadership of the human talent, Guotai Junan has established the talent work leading team of the Party Committee of the Company for promoting the strategy of strengthening the Company by human talent, formulating talent plans, studying and deploying initiatives for making the most of our human resource talent, and supervising and inspecting their implementation. The office of such leading team is located in the Organization Department of the Party Committee and is responsible for leading the daily work of the team, researching and proposing policies and suggestions on talent work, supervising and implementing the resolutions made by the leading team. The team has established the target responsibility system for talent work, including talent nurturing in the annual assessment of the heads of all units, and forming a new pattern of talent work in which organizational departments take the lead and focus on the general management and functional departments perform their duties and cooperate closely.

The Company has formulated and publicly released the *Employee Policies of Guotai Junan Securities Co., Ltd.*, which reiterates that the Company has established a correct orientation on selection and employment of personnel, provided diversified growth and development paths for employees, respects and protects rights and interests, cares for employees' health and safety, and listens to employees' demands, opinions and voices of employees, and strives to achieve common development with them. The Company strictly complies with the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China* and the *Employment Promotion Law of the People's Republic of China* and other laws and regulations, and has formulated a comprehensive human resources management system. In 2024, the Company did not have any violations of laws and regulations related to employees' rights and interests, nor had it been subject to any regulatory penalties.

7.8.2 Strategy

China has entered a new stage of development with high-quality development as its core focus. As a hub for technological innovation and the transformation and upgrading of the real economy, the capital market has become an important force in promoting high-quality economic development. The competition among different nations and within the industry is basically a competition for human talent. As a leading enterprise in the industry, Guotai Junan shall bear great concern and fully understand the new direction of talent development, grasp new requirements and seize new opportunities, pay more attention to the role of talent in leading development, and accelerate the construction of human resources competitive advantage.

Table 7-29 Analysis on Risks and Opportunities Related to Human Capital Development

Category	Risk description	Description of opportunity
Attracting and Retention of Talent	<ul style="list-style-type: none"> The securities industry is highly dependent on talent. Attracting and nurturing high-quality talent is one of the important challenges for the sustainable development of the Company. If the Company is unable to attract and retain talent effectively, it may lead to aggravated brain drain, increase the Company's personnel costs and impair the continuity of the Company's operation, management and business development. 	<ul style="list-style-type: none"> The Company's outstanding performance in aspects such as employee recruitment, remuneration and benefits is conducive to motivating outstanding employees, establishing a good employer image and attracting more outstanding talent to join the Company. The staff turnover rate was lower than the industry average, which is conducive to the Company's maintenance of the stable talent team, the reduction of staff recruitment costs and the improvement of the Company's operation and management quality.
Training and Development	<ul style="list-style-type: none"> The securities industry is in a period of rapid development with continuous iterations in the application of technologies, resulting in increasingly fierce competition in the industry. If the Company fails to ensure that its employees are equipped with the requisite new knowledge and skills, it cannot innovate its products and services and will be at a disadvantage in the market competition. 	<ul style="list-style-type: none"> The Company has established a multi-level talent training system and provided smooth promotion channels for outstanding employees, which can help stimulate the vitality and creativity of employees, better serve the development of the Company, and at the same time help reduce personnel turnover and employee recruitment costs.

Category	Risk description	Description of opportunity
Diversity and Inclusiveness	<ul style="list-style-type: none"> In this era of equality and inclusion, companies that discriminate against employees with certain gender, age, ethnic or other characteristics will damage their image and reduce talent choices. If the workforce lacks of diversity, it may not be able to effectively understand the diverse needs of customers and potential market opportunities may be missed. 	<ul style="list-style-type: none"> A diverse workforce can provide more diverse perspectives and ideas for the development of the Company, which is conducive to enhancing product innovation, serving more customers and expanding market share. A diverse and inclusive workplace is also conducive to attracting more talent and lowering the recruitment costs of the Company.

As Guotai Junan adheres to the basic principles of reform and innovation, strategic guidance, cultural value guidance and market-oriented orientation, it has formulated and implemented the *Human Resources Strategy Sub-planning (2021-2025)*, which clearly stipulates the guiding ideology, basic principles, development objectives and major development goals and major initiatives of the Company's human resources development. Through the promotion and implementation of the human resources development strategy year by year, the Company has strengthened the formation of its teams of operation and management, professional technology and outstanding young talent, which comprise gifted and skilled members, constituting a more complete organizational management mechanism, talent development mechanism and incentive and restraint mechanism and establishing a "four-in-one" human resources work system which consists of the leadership team for each level, human resource chains, supervisors at all levels and employees themselves. The system constantly upgrades the digital development platform of human resources to provide the Company with a powerful development and support mechanism.

7.8.3 Impacts, Risks and Opportunities Management

Guotai Junan comprehensively considers the market competition landscape and the Company's demand for human resources and accurately identifies the 7 key aspects of human resources management, namely employee recruitment and employment, employee salaries and benefits, employee development and promotion, employee training, employee health and safety, employee care and support and communication with employees and democratic management, to continuously improve management performance.

1. Employee recruitment and employment

In order to standardize the recruitment management, the Company has formulated the *Recruitment Management Measures of Guotai Junan Securities Co., Ltd.* and other systems and measures. Adhering to the talent introduction standards of cultural identity, integrity and professional competence, diligence and dedication, and excellent performance, the Company commits to creating a diverse, inclusive, and equal work environment and recruiting outstanding talents through flexible and diversified recruitment methods so as to ensure the construction of a high-quality talent succession mechanism.

Based on different employers and different professional fields, the Company summarizes and evaluates the recruitment needs of various departments according to its talent recruitment mechanism and annual talent recruitment scheme. It carries out campus recruitment and social recruitment through various channels such as its own talent resources database, official recruitment platform (hr.gtja.com), external recruitment websites, headhunters and employee referrals. It has continually strengthened the promotion of its employer brand through its official website, official WeChat account, live recruitment events and other channels, and works to improve the accuracy of talent recruitment using various methods such as assessment, interview, internship and argumentation.

The Company provides equal employment opportunities to job seekers, resolutely opposes employment discrimination, takes openness, fairness, and impartiality as the primary principles of talent recruitment, and ensures that employees' recruitment and career development are not affected by race, belief, gender, religion, nationality, ethnicity, age, marital status, social status, and other factors. The Company actively implements the quantitative target set by the *Outline for the Development of Chinese Women (2021-2030)* of "the proportion of female employees in urban units reaching about

40%", and the proportion of its female employees is significantly higher than 40%. The Company strictly complies with the *Law on the Protection of Minors* and the *Provisions on Prohibiting the Use of Child Labor*, and clearly stipulates that the recruitment of personnel shall not be below the legal age of employment, and through identity verification, background checks and other methods in recruitment practices, the use of child labor and forced labor are eliminated. If any violation is discovered, it will be dealt with severely. The Company has had no violations of laws such as using child labor or forced labor and has not been punished for violating laws or regulations on employment and labor or anti-discrimination-related laws and regulations.

The Company continues to deepen the market influence of its employer branding to enhance its attractiveness to talent. In 2024, the Company launched its campus recruitment for Class 2025 and organized the recruitment of "digital talent" to inject new strength into the development of the Company. The Company was awarded the "Employer of the Year Award" by The Chinese University of Hong Kong, Shenzhen, the "2024 Model Employer of Talent Attraction and Retention" by 505Wizard.com, the "2024 Most Favored Campus Recruitment Employer for Technological Talents" and the "2024 AI Recruitment Leader" by Niuke.com Employers" and other awards.

Table 7-30 Employee Diversity Indicators

Indicator	Unit	2023	2024
Percentage of female employees	%	44.78	45.11
Number of ethnic minority employees	person	594	527
Number of new employees	person	1,895	881
Number of female employees among new employees	person	818	398
Number of new graduates among new employees	person	615	356
Number of ethnic minority employees among new employees	person	84	18





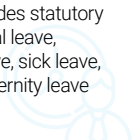
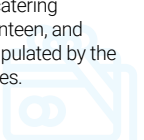
2. Employee salaries and benefits

The Company strictly complies with laws and regulations such as the *Regulations on Paid Annual Leave for Employees*, the *Public Holiday Measures for National Annual Festivals and Memorial Days*, and the *Measures of Shanghai Municipality for Wage Payment by Enterprises* and it has formulated its own systems such as the *Remuneration Management Measures of Guotai Junan Securities Co., Ltd.*, the *Attendance Management Measures of Guotai Junan Securities Co., Ltd.* and the *Leave Management Measures of Guotai Junan Securities Co., Ltd.*

Adhering to the principles of market-oriented remuneration distribution, integration of remuneration management with risk management, effective linkage of the remuneration restraint mechanism and compliance management, equal emphasis on fairness and efficiency, and integration of remuneration management with the enhancement of its long-term value, the Company has continually improved its remuneration management system by referring to both internal and external requirements, learning from the best practices, and taking into account the actual situation, with a view to promoting the co-ordination and unification of industry culture, corporate culture, shareholders' interests, the Company's strategy and its remuneration system.

Employee remuneration has various types which include basic compensation, performance rewards, allowances, subsidies and benefits, medium-term and long-term incentives. Among them, performance rewards are variable remuneration linked to the performance of the Company, each unit, and individual employees, including performance salary, performance bonus, and risk deferred bonus. Performance rewards are completely variable, reflecting differences in employee performance and contribution, and are applicable to all employees, including grassroots employees and non-sales employees.


Table 7-31 Employee Benefit Types

Statutory benefits <ul style="list-style-type: none"> The Company makes timely and full payment of social insurance and housing provident fund for all employees. 	Supplemental medical insurance <ul style="list-style-type: none"> The Company provides supplemental medical insurance to all employees. 	Accident insurance <ul style="list-style-type: none"> The Company provides accident insurance to all employees. 
Enterprise annuity <ul style="list-style-type: none"> The Company provides an enterprise annuity plan for all employees. 	Working hours and holidays <ul style="list-style-type: none"> The Company implements the standard working hour system, and the working hours are 8:30-11:30 and 13:00-17:00. The Company provides statutory holidays, paid annual leave, deferred annual leave, sick leave, marriage leave, maternity leave and other leaves. 	Other benefits <ul style="list-style-type: none"> The Company provides collective benefits such as uniforms, physical examinations, employee recuperation, self-operated canteen or unified catering services without canteen, and other benefits as stipulated by the state to all employees. 

3. Employee development and promotion

The Company has formulated systems such as the Measures for Management of Leaders of Guotai Junan Securities Co., Ltd., the Measures for Assessment and Evaluation of Leaders of Guotai Junan Securities Co., Ltd., the Measures for Performance Management of Guotai Junan Securities Co., Ltd., the Measures for Management of Professional Ranks of Guotai Junan Securities Co., Ltd., and the Measures for Post Management of Guotai Junan Securities Co., Ltd. for its employee development and promotion by rendering both management channel and professional channel which each may match employees with different attributes and abilities, and ensure that employees enjoy diversified development and growth opportunities.

Table 7-32 Dual Channels of Staff Development and Promotion

<ul style="list-style-type: none"> The Company has established a training and development path with "high-potential employees for talent reserve - grassroots managers for talent reserve - middle managers for talent reserve" as the main targets. The Company selects and employs personnel in an innovative manner, and expands the vision of selecting and employing personnel by means of public job competitions to stimulate the vitality of talents. The Company conducts research on outstanding young management talents on a regular basis, strengthens the training of management talent echelon, and promotes cross-departmental and cross-regional exchanges of management talents to improve their overall quality. 		<ul style="list-style-type: none"> A professional rank management system covering the entire Group has been established, and a job standard system with professional capabilities and performance as its core has been built to realize an evaluation and adjustment mechanism under which employees can be promoted or demoted. The Company has established a professional rank review committee to conduct overall management of the Company's professional ranks and deliberate and make decisions on related major issues.
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The Company carries out performance evaluation on an annual basis, including three main stages, namely formulation of performance plan at the beginning of the year, mid-year performance review guidance and year-end performance evaluation feedback. The dimensions of employee performance evaluation include work performance evaluation, capabilities evaluation and compliance risk control assessment. The performance manager provides performance coaching and feedback to employees. Annual performance evaluation of the Company covers all employees.

The Company has established a well-functioning employee performance appeal mechanism. According to the Company's performance management measures, if an employee does not recognize or accept the results of performance assessment, he/she may submit an appeal request to the Human Resources Department within a specified time limit. The Human Resources Department shall verify the content of the complaint, propose handling opinions based on the investigation results, and send feedback on the complaint results to the complainant. In addition, the Company stipulates that employees' personal information shall be kept strictly confidential throughout the complaint handling process, and retaliation against the complainant is strictly prohibited in order to fully protect the rights and interests of employees and ensure an effective and smooth appeal channel.

4. Employee training

Guotai Junan has formulated comprehensive internship and teaching plans for fresh graduates. The Company appoints experienced employees with similar positions as mentors to new graduates to help these new employees quickly adapt to the working environment and job responsibilities. In addition, the Company also arranges employees to provide Q&A counseling for new graduates in respect of on-boarding procedures, use of office equipment and familiarity with office areas. The Company also provides every new employee, including fresh graduates, with a complete induction training program, which covers corporate strategy, corporate culture, professional ethics, legal compliance, human resources, financial systems, information systems, brand building, etc.

The Company has designed and launched a series of special talent cultivation and development projects to meet the development needs of employees at different growth stages. The Company continues to carry out a young talent development scheme dubbed "Diamond Youth", a management trainee program dubbed "Talent Selection Plan", and talent exchange programs under which employees have the opportunity to work at both the Company's headquarters and branches and both domestic and overseas business outlets. Also, the International Talent Management Training Program was launched in 2024.

Table 7-33 Guotai Junan's Nurturing Program for Key Talent

Project name	Program description	Progress in 2024
Young Talent Development Scheme dubbed "Diamond Youth"	<ul style="list-style-type: none"> In order to improve the autonomy of talent cultivation and accelerate the establishment of a training mechanism that can help outstanding young employees achieve excellence and rapid growth, the Company has formulated and issued the <i>Implementation Plan for "Diamond Youth" Young Talent Development Scheme (2022-2025)</i>, under which a two-year special training program is designed to provide a broader development stage for outstanding young talents. 	<ul style="list-style-type: none"> The Company continued to implement the "Diamond Youth" selection and cultivation plan for young talent. A group of outstanding young employees were selected as the second batch of training targets and paired up with mentors. A total of 370 young talents were selected from the two batches for continuous training and cultivation.
Management Trainee Program dubbed "Talent Selection Plan"	<ul style="list-style-type: none"> With the goal of cultivating inter-disciplinary and management talents with comprehensive business ability for the Group, management trainees are selected from new employees in Company's the headquarters, branches, and subsidiaries. During the 1.5-year training period, various cultivation methods such as rotation in four stages, mentor teaching, special training and thematic tasks were adopted. 	<ul style="list-style-type: none"> The Company continued to implement the management trainee program dubbed "Talent Selection Plan", and 25 management trainees from the class 2023 completed the second stage and the third stage of rotational learning and annual training evaluation.

Project name	Program description	Progress in 2024
Cross-unit and cross-regional talent exchange program	<ul style="list-style-type: none"> The Company helps talents broaden work horizons, enhance systematic thinking, and improve overall quality and execution ability through increasing cross-unit and cross-regional exchanges of talents, with a view to cultivating a composite talent team. 	<ul style="list-style-type: none"> In the past two years, the Company sent 17 outstanding talents from the headquarters to our subsidiaries in Hong Kong, Singapore, etc. for exchange. In 2024, the "International Talent" Management Training Program was launched. 10 outstanding talents were selected into the program through recommendation and application, qualification review, selection and testing, and targeted training would be held. The total number of persons participating in the headquarters-branch exchange program was over 340 for last 2 years.

In order to further promote the strategy of "Strengthening the Company by Talent" and accelerate the construction of a talent pool in the securities industry, the Company continues to build a multi-level talent development and training system, striving to build a high-caliber talent team in the industry with a focus on professional training for investment consultants, high-quality marketing talent, middle and low-level management personnel, international talent, digital experts, new employees, internal lecturers, etc. to expand the training channels for professional talents, improve the accuracy and breadth of the training empowerment business, and perfect the training and evaluation mechanism to enhance employees' satisfaction with and integration into various trainings. In 2024, the Company provided offline and online training for a total of 1.128 million hours for employees, which 802 thousand hours were online training and 326 thousand hours were offline training. As of the end of 2024, the Company had developed and introduced a total of 42,138 online and offline courses.

Table 7-34 Multi-level Talent Nurturing and Training Programs

Project name	Description on nurturing and training activities in 2024
Training and nurturing program for business talent	<ul style="list-style-type: none"> The Company held 1 training session for chief ETF advisors with Shenzhen Stock Exchange, 1 training session for chief fixed income investment advisors with Shanghai Clearing House, and 4 training sessions for chief investment advisors and wealth management advisors with professional institutions such as Morningstar and large mutual funds to nurture and empower the research capabilities of its branches on ETFs, fixed income and wealth management, etc. The Company held 1 session of "training on live streaming capability of investment advisors" jointly with Jiangsu Satellite TV and others to tap into the huge incremental market in the Internet era and enhance the capability of its investment advisors on live streaming. The Company held the "Online Special Training on Professional Capability Enhancement for Fixed Income" for all investment advisers of its branches further strengthened the nurturing and empowerment of employees of its branches in fixed income professional capabilities, and improved its investment advisers' understanding of fixed income market knowledge and business practical ability. The Company held special investment advisor training sessions for branches in Gansu, Fujian and Jiangxi provinces and rotation training on Private Customer Leap Forward (Chongqing) and FOF business, and organized investment advisor examination counseling programs to further enrich and improve the investment advisor training and nurturing system. Parallel initiatives are put forward for both talent development and business empowerment, assisting the development of the Company's wealth management business. Five sessions of high-quality marketing training seminars for branches were held in batches in different regions to enhance the practical effectiveness of the front line and continuously enhance the marketing capabilities, competitiveness and pressure handling capacity of employees of the branches. In 2024, the Company sent multiple batches of employees from the Investment Banking Business Unit to participate in special trainings conducted by relevant associations and the Capital Markets College, and jointly organized with relevant departments trainings on institutional trading business rules, trainings for institutional sales talent, sharing of practical cases of carbon allowance (CEA) matching and business development experience, the live broadcast of market value management and mergers and acquisitions, internal lecturers of the organization to offer special trainings in Jiangxi University of Finance and Economics and Guizhou University and other project trainings.

Project name	Description on nurturing and training activities in 2024
<p>Training and nurturing program for management talent</p>	<ul style="list-style-type: none"> • To implement the construction of its "Three Forces Mechanism" and Wealth Management Transformation 2.0, the Company held the second, third and fourth phase of special trainings under the "Junyue Project" for sales department heads, and organized the participation of more than 180 sales department heads to broaden the vision of the low-level management personnel and to strengthen the management awareness of the sales department. • Based on the principle of "Improving Capabilities and Sharpening Strengths", the Company empowered its branches to develop with high quality, and held and completed the fourth phase of "Jun Shuai Sunshine Class" at which 52 key management personnel from Sichuan, Zhejiang, Fujian, Jilin and Inner Mongolia were organized to use "management improvement thinking" and practical training combined with teaching methods in order to promote the Company's branches and business departments to achieve dual improvement in management and operation performance, accumulating 22 excellent operation and management cases and passing management practical experience among different branches. • In line with its business deployment strategy, the Company cooperated with the Greater Bay Area to organize management talent training in key regions, helped the Company build an agile organization and management team with first-class overall quality in the industry in Guangdong, Hong Kong and Macau, and designed corresponding regional talent training plans in conjunction with the Yangtze River Delta Region and Beijing-Tianjin-Hebei. • In order to pass on the outstanding talents and experience of the Company, the first phase of internal lecturer training was held and more than 70 certified lecturers were invited to participate in the training. • To enhance the marketing capability, competitiveness and pressure handling capacity of employees of its branches, the Company organized more than 130 key marketing personnel from six branches in Shanghai, Zhejiang, Jiangsu, Jiangxi, Anhui and Suzhou to hold the fifth session of high-quality marketing training class to empower the marketing competitiveness of these branches. • The Company's senior executives, middle-level cadres and low-level management personnel were organized to participate in special training courses held by the Securities Association of China.
<p>Training and nurturing program for digital experts</p>	<ul style="list-style-type: none"> • We implemented 3 sessions of AIGC thematic training on generative artificial intelligence, focusing on the introduction of AIGC functions, the application of large-scale model tools at our country and abroad, AI Agent intelligent body, AIGC in reading, writing, publicity planning, self-service data analysis and other scenarios, prompt word engineering in customer demand analysis, schedule management and other topics. The Company exerted great effort on the training of digital and intelligent talent with a total of 460 AIGC personnel trained. • The Company held 1 practical workshop on the application of AIGC in the securities industry (a special session in IT line), trained a total of 56 IT personnel, and further improved the ability of IT line staff to apply artificial intelligence technology to solve business and management blockages, difficulties and pain points. • One session of SQL intensive course was held to optimize employees' data processing ability and cultivate them the work mindset of "optimization" and seeking "the most suitable solution". • One session of data analysis training camp was held to provide trainings on basic operations of databases, application of SQL statements, etc. • A compulsory online course <i>Personal Information Protection</i>, with a total of 6,933 employees' participation, was held for the enhancement of employees' awareness of digital thinking and assurance of the orderly circulation of personal information, so as to assist the Company's digital transformation and development of the digital economy. • A compulsory online course <i>Internet Security Threats in Office Environment and their Countermeasures</i>, with a total of 5,817 employees' participation, was held to enhance employees' awareness of information risks. • A total of 136 training sessions were held online on various topics such as network information security, legal compliance, <i>counter-espionage law</i>, company law, financial products, digital transformation for all employees. These courses include "Cybersecurity Threats in Office Environment and their Counter-measures", "Data Security Law Interpretation and Compliance Practice", "Study on New Counter-espionage Law", "Negative Examples: Securities Officers' Trading Violations", "Interpretation of the Company Law of the People's Republic of China (2023 Revised Version)" to name a few.

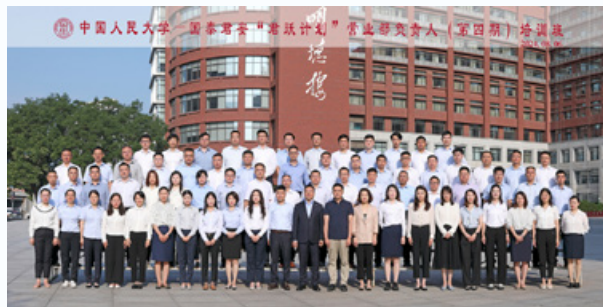
Project name	Description on nurturing and training activities in 2024
Training and nurturing program for international talent	<ul style="list-style-type: none"> The Company held 4 sessions of "Overseas Voices of Guotai Junan": sharing business experiences in Vietnam, at the Singapore subsidiary of Guotai Junan Futures, in the UK and at New York University. CEOs and key personnel from overseas subsidiaries and overseas universities were invited to share their stories, so as to establish a platform of business learning and experience sharing for the parent company to communicate with overseas subsidiaries. With an aim to create a professional learning club for CFA certificate holders and related business personnel of Guotai Junan, the Company held two GJTA*CFA Club series sharing activities at which the CFA Global Development Director, the professors of the ESG Research Center of the University of Hong Kong and others were invited to share their stories. A session of private salon for entrepreneurs' offices - online sharing activities on the new trend of cross-border tax planning was held. Relevant partners of the accounting firm were invited to have exchanges on cross-border tax planning. The Company and Guotai Junan International jointly held a series of trainings including "2024 On-air Refueling Station (Hong Kong Station) for International Talent", during which discussions were held on the global economy and market investment prospects, the overall picture of AI investment, cross-border Wealth Management Connect, and family offices. The "Special Training for International Talents of the Company" was jointly organized with the Capital Market College, and 74 employees enrolled from all departments of the Company's headquarters, branches and subsidiaries attended the training. The trainees from all departments of the Company's headquarters in the Greater Bay Area, branches in Shenzhen, Qianhai and Guangdong, Guotai Junan International and Guotai Junan Futures (Singapore) comprised over one-third of all employees enrolled. The Company launched the In-company Consulting Project (ICP) with emlyon business school, and conducted cooperative research on the topics of Chinese securities companies going overseas and international talent nurturing. The Company was awarded the Employers of the Year 2023-2024 and the ICP Cooperation Awards 2023-2024 by emlyon business school and recognized as the "ACCA Accredited Employer" in the Professional Development category for 2024.
Training and nurturing program on general quality	<ul style="list-style-type: none"> One session of orientation training for new employees recruited from campuses and five sessions of onboarding training for new employees joining the Company through social recruitment were held. 84 internal lecturers and external experts were invited to the training sessions, and ESG and green finance theme courses were also added. Through the provision of human resources themed courses such as salary, performance and benefits, the training course helps trainees understand protection of rights and interests, enhances the sense of belonging and attractiveness of new employees, and promotes the healthy and sustainable development of new employees. Through legal compliance, risk management and other courses to help trainees understand the corporate governance system, build risk management awareness, and consolidate the concept of compliant operation. In 2024, a total of 643 school-based and socially recruited employees will attend the induction training courses, with a total course duration of 106 class hours.





Topic 7-6 Guotai Junan held "Junyue Project" for the training of sales department heads

"Junyue Project" is an important training component for low-level management talent. As the main drivers of the wealth management transformation of the branches and the backbone of the Company development, the sales department heads are engines to promote the Company business. In August 2024, Guotai Junan's "Junyue Project" for sales department heads (the fourth batch) was successfully held at Renmin University of China. A total of 62 low-level management personnel of branches and 5 young and talented colleagues enrolled themselves in the training, while nearly 20 internal and external instructors were invited to be the teachers. The training covered digitalization and intelligent application, corporate strategy and reform deepening and improvement actions, three major customer service systems and three types of customer bases business strategy discussion, macroeconomic and policy interpretation, exploration the frontiers of wealth management, management essentials and leadership development, daily operations of branches, and other areas. As such, the sales department heads' were empowered to further their professional qualities, broaden their horizon, and enhance their management and operation capabilities.



Topic 7-7 Guotai Junan's first session, in 5 stages, on "High-quality Marketing Training Class" for branches were successfully concluded

In order to foster the Company's stepping up the pace to be an investment bank with international competitiveness and market influence, and based on the scientific conclusion put forward by the Company that "the increase of effective customers is the key to the Company's high-quality development", in June 2024, Guotai Junan eventually commenced "High-quality Marketing Training Class" in several stages catering several regions. The Company successively kicked off the first, second, third, fourth and fifth stages of the class in Chengdu, Shenyang, Zhengzhou, Changsha and Suzhou in June, August, September, November and December 2024, respectively. Each stage was well received by its students. This project not only guides the branches to adopt measures according to local conditions and precise implementation of policies and build a scientific marketing system and clear marketing tactics, but also continuously enhances the execution ability and pressure handling capacity of the front-line employees, making marketing ability the core competitiveness of the branches.





Topic 7-8 Guotai Junan held a series of investment advisory programs entitled "Investing in Golden Talents"

The Company attaches great importance to talent selection and its guidance. In 2024, Guotai Junan continued to carry out training and cultivation of investment advisors, focusing on holding a series of training courses for chief investment advisors to strengthen the building of a professional team of investment advisors, and parallelizing talent development and business empowerment. The Company has comprehensively empowered its branches to achieve high-quality development and assisted in the development of the wealth management business of the Company. The Company held the selection of "Chief Fixed Income Investment Advisor" for the first time, and a total of 41 people were selected. By the end of 2024, the Company has selected nearly 300 chief investment advisors, chief wealth management investment advisors, chief ETF investment advisors and chief fixed income investment advisors. The Company held 8 investment advisory training series on different themes such as fixed income, ETF, wealth management, live streaming, etc. in Beijing, Shanghai, Shenzhen and other places in cooperation with institutions such as Shanghai Clearing House, Shenzhen Stock Exchange, Morningstar (China), Jiangsu Satellite TV, fund companies in Beijing, Shanghai, Guangzhou and Shenzhen, covering nearly 500 person-times offline and all investment advisors online, striving to build the talents hub and brand influence of investment advisors.



Topic 7-9 Guotai Junan and China Capital Market Institute held the "Special Training Course for International Talents"

For the purposes of further deepening the stock connect between Mainland China and Hong Kong, and promoting the common development of the capital markets of the two places, the Company promoted the "Cross-boundary Wealth Management Connect" 2.0 pilot business development by learning from international best practice, in an effort to promote international business exchanges, promote the transformation of the Company's brokerage business and drive the high-quality development of the wealth management business in order to assist the Company to build a team of international business talents with international vision and business capabilities, as such, Guotai Junan cooperated with China Capital Market Institute to hold the "Special Training Course for International Talents" in Shenzhen from 19 to 21 December 2024. A total of 74 trainees from various departments of the Company's headquarters, branch offices and subsidiaries participated in the training, of which, the number of trainees from various departments of the Company's headquarters in the Greater Bay Area, branches in Shenzhen, Qianhai and Guangdong, Guotai Junan International, Guotai Junan Futures (Singapore) and other units accounted for more than one-third.





Topic 7-10 Guotai Junan held induction training for new employees (campus recruitment) in 2024

In order to implement the philosophy of "talents are the No. 1 resources", improve the professional and comprehensive capabilities of new employees recruited at the campus, and help new employees integrate into the Company quickly, in September 2024, Guotai Junan held a 10-day induction training for new employees (campus recruitment) in 2024 in Chongming, Shanghai. 30 internal lecturers and 2 external senior experts were invited to this training to give a series of well-covered, highly targeted and timely beginners' training courses around core topics such as "situations, business, management, manpower, strategies, career", etc. The course covered topics such as promotion and integration of strategic planning, information security, compliance risk control, confidentiality system, situation analysis, business overview, human resources, financial discipline, stress management, etc., with a view to establishing a comprehensive knowledge system and providing comprehensive skills training for new employees recruited at campus in 2024. A total of 193 new employees recruited at campus from headquarters and branch offices participated in the training.



To further support employees in developing the professional skills required for their positions, Guotai Junan organizes employees (including contractors) to participate in multi-category and multi-lingual professional qualification certification trainings and examinations at home and abroad, encourages employees to actively participate in various trainings held by regulatory authorities and industry associations, and pays for relevant tuition fees. In 2024, the Company supported 200 employees to participate in the certification learning programs, with a total investment of RMB229,500.

Table 7-35 Specific Ways to Support Employees to Participate in Certification Training

Method 1	Method 2
<ul style="list-style-type: none"> The Company purchases learning accounts or holds unified training and certification courses for employees → employees participate in the learning and complete the relevant certifications → the Company pays the relevant registration fees, training fees, examination fees, etc. 	<ul style="list-style-type: none"> Employees voluntarily apply to participate in relevant certification training courses → the Company will reimburse relevant registration fees, training fees, examination fees, etc.

Table 7-36 Employee Certification Projects Supported in 2024

Name	Partner	Project significance	Coverage	Number of people obtained certifications
ACCA*CFA Climate Finance Certification Training	ACCA	Improving employees' knowledge and international perspective on climate finance practices	Headquarters departments, branches, subsidiaries	200 persons

5. Employee health and safety

Ensuring the safety and physical and mental health of employees in the workplace is an important basis for protecting their rights and interests. The Company has always taken "three zeros" (zero injury, zero accident and zero loss) as the goal of work safety and actively implements its safety responsibility.

To ensure the safety of employees, the Company has set up a Group Workplace Safety Committee and introduces employee representatives to join the committee office so that they can participate in decision-making on the Company's workplace safety on behalf of the employees. The Company has formulated and issued 33 basic regulations such as the *Administrative Measures for Workplace Safety Responsibility System* and the *Administrative Measures for Workplace Safety Objectives*. It has signed the *Responsibility Statement on Workplace Safety Objectives* with units at all levels and the *Employee's Workplace Safety Commitment* with all employees to inform them of work safety hazards in occupational environment and precautions. In addition, the Company formulated the *Three-Year Action Plan for Addressing the Root Causes of Workplace Safety of Guotai Junan Securities Co., Ltd. (2024-2026)* and set up a special action leading group and a leading group office to comprehensively promote the implementation of special actions.

In order to protect the physical and mental health of employees, the Company provides all-round comprehensive medical and accident protection for employees, including annual physical examination, insurance claims for medical expenses, accident and critical illness protection, free psychological consultation, etc. Meanwhile, the Company also organizes training activities such as health knowledge lectures for all employees (including contractors).

In 2024, the Company organized 74 emergency rescue drills and conducted 2,244 safety inspections. All identified potential safety hazards have been rectified. In 2024, the Company recorded no safety incidents or penalties for violating laws and regulations in relation to occupational health.



Topic 7-11 Guotai Junan conducted flood and typhoon emergency drill and fire drill in 2024

On 7 June 2024, Guotai Junan conducted a 2024 flood and typhoon emergency drill in its headquarters office building. The drill simulated a situation where, under the influence of heavy rainfall, the water in the ditch at the entrance ramp of the garage on basement level 1 overflowed and spread rapidly toward the high-voltage distribution station and the weak-current machine room. According to the plan, the office of the Group Workplace Safety Committee, which was responsible for on-site duty at the site, activated an emergency response and formed an emergency team to quickly arrive at the site to take emergency measures to drain, block and discharge the accumulated water to delay the damage to the facilities and equipment of the building. Through this practical drill, the rapid response and on-site handling capabilities of flood control and emergency rescue were improved, laying a solid foundation for coping with typhoon and flood season.

On 13 November 2024, Guotai Junan conducted the 2024 fire evacuation and fire-fighting drill at the Tangzhen Support Center, which simulated the emergency response after a sudden fire in the electrical appliances on the 4th floor of Building G of the Support Center. According to the plan, the property personnel carried out emergency drills on fire power supply, fire water supply, access control release, elevator forced landing and smoke prevention and extraction equipment in an orderly manner, and cooperated with firefighters to carry out accident site warning and environmental restoration work. The drill tested the emergency response, organization and coordination capabilities of relevant units in the face of emergencies after the opening of Building G of the Support Center, improved employees' fire awareness and self-escape ability, and strengthened the coordination and cooperation among units.

6. Employee care and support

Based on fully protecting employees' legitimate rights and interests, the Company pays attention to employees' multi-level and diversified demands and strives to provide comprehensive care measures for them. The Company complies with laws and regulations such as the Special Rules on the Labor Protection of Female Employees, formulated policies such as the Special Collective Contract for the Protection of Special Rights and Interests of Female Employees and the Implementation Measures for Employee Assistance and Consolation of Guotai Junan Securities Co., Ltd., and deepened the construction of employee service care system, committed to enhancing employees' happiness and sense of gain.

Table 7-37 Employee Care and Support Measures

Major measure	Specific practice
Daily care measures	<ul style="list-style-type: none"> Strengthen the care for employees during statutory holidays, and do a good job in providing inclusive care for employees when they have birthdays, marriages, maternity, serious illnesses, etc. Expand employees' choice of consolation gifts to improve their level of satisfaction. Participate in the rural revitalization projects of the higher-level labor union and the Company during consolation work on statutory holidays. Strengthen the construction and management of employee activity center. Ensure the normal operation of facilities such as Employees' Home, Health Huts, Mommy Huts, and psychological counselling rooms. Promote the construction of the "Employees' Home" project in Upperhills by the labor union directly affiliated to the headquarters.
Helping employees in need	<ul style="list-style-type: none"> During the New Year's Day and Spring Festival holidays in 2024, the Company completed the consolations and support work for employees in need at both the municipal and company levels: The support and consolation money of RMB258 thousand from the Shanghai Municipal Financial Labor Union was forwarded to a total of 86 employees in need from 28 grassroots labor unions, and the support and consolation money of RMB30 thousand from the Company's labor union was distributed to ten people in difficulties from seven grassroots labor unions. In 2024, the Company's labor union provided a total of RMB1.605 million in daily assistance funds to 131 employees.
Student financial aid for employees' children	<ul style="list-style-type: none"> Investigated the situation of employees' children participating in the 2024 college entrance examination and applied for financial aid from the Shanghai Municipal Financial Labor Union for six employees' children with RMB5 thousand per person.
Caring for retired employees	<ul style="list-style-type: none"> Throughout the year, the Company regularly supervised grassroots labor unions to do a good job in seeing off retired employees and issued honorary retirement certificates and commemorative plates to them. Carrying out care work for retired employees in accordance with the grandfather rule. During the New Year's Day, Spring Festival and Double Ninth Festival holidays, the Company supervised all grassroots labor unions to carry out care work for retired employees, convey the care and concern of the Company's party committee and labor union organizations for retire employees by phone call, visit and other forms, express consolations for retired employees in need, distribute consolation money to retired employees, and organize physical examination for qualified retired employees.

7. Communication with employees and democratic management

In order to effectively promote the improvement of the Company's operation and management and facilitate business and management innovation, the Company has set up a "President's Mailbox" on the homepage of the "Enterprise Operation Support Platform" to strengthen direct communication between employees and senior executives, gives full play to the enthusiasm, initiative and creativity of employees, and quickly responds to their reasonable suggestions and demands. In 2024, the Company handled a total of 29 employee letters to the "President's Mailbox". In addition, in order to provide employees with high-quality administrative services, the Company's administrative office has set up a "Practice+" pioneer service hotline and mailbox. The "Practice+" pioneer service team is dedicated to solving employee problems, and regularly carries out work regarding the "Practice+" pioneer service hotline and mailbox. Every day, a leader and a duty officer are designated to ensure that reasonable requests are "well handled", difficult matters are "professionally answered", and urgent work is "prioritized". In 2024, the "Practice+" pioneer service hotline and mailbox received a total of 12 complaints from employees, of which 9 were handled and three were forwarded. The Company has implemented a number of practical projects, such as enriching breakfast varieties at the canteen, optimizing the inquiry function of shuttle buses, expediting the affixing of stamps on documents to be issued on weekends, carrying out administrative evaluation and answering questions, and cooperating with online emergency drills.

In order to smooth the communication channels with employees and listen to their voices, the Company conducts annual employee satisfaction surveys and sends anonymous questionnaires to all employees through digital means. The employee satisfaction survey included all employees, covering their basic needs (work requirements and working conditions), management support (full use of strengths, receiving praise, care from leaders and encouragement on development), team cooperation (attention to opinions, mission identification, team atmosphere), and career development

(learning and growth). The results of the 2024 employee satisfaction survey showed that employee satisfaction was 85.7%, an overall good score. According to the survey results, the Human Resources Department worked with relevant departments to study and formulate optimization plans and took targeted improvement measures to improve employee satisfaction.

The Company carries out democratic management work in the form of employee representative meeting, with a view to creating an atmosphere of joint development, joint management and joint participation. The Company has formulated the *Regulations on Work of the Employee Representative Meeting of Guotai Junan Securities Co., Ltd.* The employee representative meeting of the Company deliberates and authorizes the signing of collective contracts, special collective contracts on wages and collective contracts for protecting the special rights and interests of female employees, and has set up a democratic management committee. Under the leadership of the employee representative meeting, the democratic management committee organizes employee representatives to carry out democratic management project activities, and handles related matters assigned by the employee representative meeting. The Company organizes and holds employee representative meetings in a standardized manner, submits extensive issues related to the strategic development of the Company and the vital interests of employees to all employee representatives for deliberation, voting and approval, thus effectively safeguarding the interests of employees. In 2024, the Company held seven employee representative meetings and 1 labor union representative meeting to elect and form the fifth session of the Company's labor union committee, the fund review committee and the female employees committee, as well as the democratic management committee of the fifth session of the Company's employee representative meeting, considered, voted on and approved more than ten documents closely related to employee rights and interests, including the *Remuneration Management Measures of Guotai Junan Securities Co., Ltd. (2024 revision)*, the *Employee Attendance Management Measures of Guotai Junan Securities Co., Ltd. (2024 revision)*, the *Employee Leave Management Measures of Guotai Junan Securities Co., Ltd. (2024 revision)*, the *Proposal on the Resettlement Plan Regarding the Employees of Guotai Junan Securities Co., Ltd. Involved in the Merger with Haitong Securities Co., Ltd. by Way of Absorption and Share Exchange*, and considered, voted on and approved matters such as the recommendation of Guotai Junan Futures Co., Ltd. for the "Shanghai May 1st Labor Certificate" in 2024.

7.8.4 Indicators and Targets

In order to continuously promote and optimize the development and management of human capital, the Company has set measurable management indicators and targets, and continues to optimize management practices to ensure the effective implementation of the strategy of strengthening the Company with talents. As of the end of 2024, the Company had a total of 14,523 employees, of which 45.11% were female employees, an increase of 0.33 percentage point from 2023; and 45.48% were employees with master's and doctoral degrees, an increase of 2.65 percentage points from 2023. In 2024, the Company's employee turnover rate was 9.87%, and 400 working days were lost due to work-related injuries. The employee training expenditure amounted to RMB22,694,500, with the average training hours per employee being 54.13 hours.

Table 7-38 Employee Employment Indicators

Indicator		Unit	2022	2023	2024
Total number of employees		Person	14,492	15,086	14,523
By gender	Male	Person	7,991	8,330	7,971
	Female	Person	6,501	6,756	6,552
By type of employment	Number of full-time employees	Person	14,492	15,086	14,523
	Number of part-time employees	Person	0	0	0

Indicator		Unit	2022	2023	2024
By age group	Aged <30	Person	4,191	3,330 ³	3,497
	Aged 30 to 50	Person	9,196	10,359 ³	9,839
	Aged >50	Person	1,105	1,397 ³	1,187
By region	Mainland China	Person	13,777	14,315 ³	13,726
	Hong Kong, Macau, Taiwan and overseas	Person	715	771	797
By education level	Doctorate	Person	162	169	166
	Master	Person	5,566	6,292	6,439
	Bachelor	Person	7,205	7,249 ³	6,835
	College and below	Person	1,559	1,376 ³	1,083
Number of managers		Person	698	741	758
Number of male managers		Person	486	506	512
Number of female managers		Person	212	235	246
Number of ethnic minority employees		Person	562	594	527
Number of employees with disabilities ¹		Person	--	2	7
Labor contract signing rate		%	100	100	100
Social insurance coverage rate		%	100	100	100
Total number of employee discrimination incidents		Case	0	0	0
Total number of new employees		Person	1,871	1,895	881
By gender	Male	Person	1,098	1,077	483
	Female	Person	773	818	398
By age group	Aged <30	Person	1,096	1,145	575
	Aged 30 to 50	Person	769	738	295
	Aged >50	Person	6	12	11
By region	Mainland China	Person	1,711	1,730	734
	Hong Kong, Macau, Taiwan and overseas	Person	160	165	147
Newly recruited fresh graduates		Person	548	615	356
Number of new ethnic minority employees		Person	--	84	18
Employee turnover rate ²		%	9.72	8.17	9.87
By gender	Male	%	10.89	8.43	10.36
	Female	%	8.29	7.84	9.26

Indicator		Unit	2022	2023	2024
By age group	Aged <30	%	13.34	12.10	12.50
	Aged 30 to 50	%	8.42	7.29	7.65
	Aged >50	%	6.88	5.30	20.47
By region	Mainland China	%	8.17	7.40	9.56
	Hong Kong, Macau, Taiwan and overseas	%	39.58	22.44	15.18

Note 1: The Company earnestly implemented the employment security requirements for the disabled and paid the employment security fund for the disabled in accordance with the requirements of the *Implementation Measures for the Collection and Use of the Employment Security Fund for the Disabled in Shanghai*.

Note 2: The employee turnover rate of each category = the number of employees lost in this category during the year/the number of employees in this category at the end of the year.

Note 3: Relevant data have been corrected.

Table 7-39 Employee Health and Safety Indicators¹

Indicator	Unit	2022	2023	2024
Employee physical examination coverage rate ²	%	100	100	100
Employee work-related injury insurance coverage rate	%	100	100	100
Amount invested in employee work-related injury insurance ¹	RMB 10,000	166.51	207.54	228.73
Number of work-related injuries ³	Time	0	6	6
Number of working days lost due to work-related injuries	Day	0	276	400
Number of employees died due to work-related injuries	Person	0	0	0

Note 1: The statistical basis for the amount invested in employee work-related injury insurance is Guotai Junan Securities headquarters, and the statistical basis for other employee health and safety indicators is Guotai Junan Securities.

Note 2: Employee physical examination coverage rate = number of employees participating in physical examination during the year/total number of employees at the end of the year.

Note 3: The causes of work-related injuries of the Company's employees were traffic accidents on the way to and from work, falls during business trips, etc. After the occurrence of such incidents, the Company handled them seriously in accordance with the management regulations on work-related injuries in the places where the employees were located, and took measures to enhance employees' safety awareness to avoid the occurrence of work-related injuries as much as possible.

Table 7-40 Employee Training Indicators¹

Indicator	Unit	2022	2023	2024
Total employee training expenditure	RMB 10,000	2,169.00	4,424.19 ²	2,269.45
Person-times of employee training	Person-time	778,898	590,615	576,358

Indicator		Unit	2022	2023	2024
Employee training coverage rate ³		%	100	100	100
By gender	Male	%	54.03	54.34	54.02
	Female	%	45.97	45.66	45.98
By employee category	Senior management	%	0.06	0.11	0.14
	Middle management	%	2.49	2.61	2.70
	Ordinary employee	%	97.45	97.28	97.16
Average training time per employee ⁴		Hour	68.01	66.51	54.13
By gender	Male	Hour	68.46	67.13	54.19
	Female	Hour	67.49	65.78	54.05
By employee category	Management employee	Hour	—	52.19	40.29
	Ordinary employee	Hour	68.47	66.91	54.53

Note 1: The statistical caliber of employee training indicators is Guotai Junan Securities.

Note 2: The significantly higher total employee training expenditure in 2023 than in 2022 and 2024 was due to the concentrated release of offline training demand after the end of the COVID-19 pandemic.

Note 3: Training coverage rate of each category of employees = number of employees in the category who received training/total number of employees who received training.

Note 4: The average training time per person per year for employees in each category = total number of hours of training received by employees in the category/number of employees in the category.



▶▶ 08 GOVERNANCE ISSUES

8.1 Corporate Governance

As a company listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange, Guotai Junan strictly complies with the requirements of the laws, regulations and regulatory documents of the places where it is listed at home and abroad, regulates its operations, and continuously improves its corporate governance structure and system to enhance its corporate governance level. In accordance with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Regulations on Supervision and Management of Securities Companies*, the *Rules for Governance of Securities Companies* and the *Code of Corporate Governance for Listed Companies*, the Company has formulated the *Articles of Association* and established a sound and complete corporate governance structure consisting of the general meeting, the Board of Directors, the Supervisory Committee and the Company's management, forming a corporate governance system for deliberation, decision-making, authorization and execution with clear responsibilities, standardized operations, mutual coordination, checks and balances among power organs, decision-making organs, supervisory organs and the management. The Board of Directors, the Supervisory Committee and the management of the Company have performed their duties in a standardized manner in strict accordance with the relevant system specifications and management requirements, which has effectively improved the effectiveness of corporate governance, protected the fundamental interests of the Company and the common interests of all shareholders, and safeguarded the high-quality development of the Company.

As the standing power authority of the Company, the Board of Directors is accountable to the shareholders' general meeting to ensure that the Company has a clear corporate governance structure, standardized decision-making procedures, and conducts corporate operations and decision-making in a transparent, impartial and open manner, so as to protect the interests of shareholders to the greatest extent possible. Meanwhile, the Board of Directors attaches great importance to the principle of equality of shareholders, and protects the legitimate rights and interests of shareholders equally, regardless of whether they are majority shareholders or minority shareholders. The supervisors of the Company's Supervisory Committee attend important meetings such as the general meetings of shareholders and the Board meetings to consider and review various proposals and reports, so as to pay constant attention to the Company's operation and management dynamics, effectively perform the supervisory duties conferred by the laws, regulations and internal management systems in an effort to effectively play the supervisory role of the Supervisory Committee in the Company's governance structure, and effectively safeguard the fundamental interests of the Company and the common interests of all shareholders.

The Company continues to improve the performance appraisal and remuneration management of senior management personnel, and established an effective positive incentive and constraint mechanism to guide the Company to maintain steady growth, prevent risks and achieve high-quality development. In accordance with the relevant requirements of higher-level competent authorities and regulations of the industry, the Company strictly regulates the deferred payment of remuneration for senior management and directors, specifies the payment period, payment qualifications, restrictive conditions for payment and termination of payment for personnel subject to deferred payment, and refines the rules for remuneration deduction for disciplinary and illegal matters, and systematically manages the execution of risk compliance, salary suspension and recovery and other binding clauses, implements the principles of sound operation, compliance bottom line, incentive constraints and enhancement of the Company's long-term value, as well as implements the talent management requirements of symmetric remuneration incentives and constraints. According to the relevant system for senior management's remuneration appraisal, the Company has set management appraisal indicators related to ESG issues such as environmental protection, workplace safety, employee development, social stability and sustainable finance, and linked the results of ESG performance appraisal with the remuneration of the senior management.

In respect of protecting the rights and interests of shareholders, the Company ensures a clear corporate governance structure, standardized decision-making procedures, and carries out business operation and decision-making in a transparent, fair and open manner. The Company respects and protects the rights of shareholders at the general meeting of shareholders, including but not limited to the right to vote, the right to make proposals, and the right to address inquiries, and actively promotes various communication mechanisms to ensure that shareholders can effectively participate in the Company's major decisions. The Company respects and protects the rights of shareholders, values equality among shareholders, actively promotes various communication mechanisms, proactively discloses information, and implements investor relations management.

In respect of protecting the rights and interests of creditors, the Company has established a system for protecting the rights and interests of creditors that takes into account economic benefits and social responsibilities, which strengthens the soundness and

sustainability of financial management. The Company has formulated the Measures for the Administration of Bond Issuance by Guotai Junan Securities Co., Ltd., which stipulate the rules and regulations for organizational structure and its responsibilities, issuance management, management of raised proceeds, risk management, information disclosure management, etc. A trustee manager is hired for each bond and a *Trustee Management Agreement* is signed to stipulate the protection mechanism for investors' rights and interests and debt repayment measures. The Rules for Bondholders' Meetings have also been formulated. The Company performs its duties and obligations under the Rules for Bondholders' Meetings and the resolutions of the bondholders' meetings, and discloses relevant arrangements to the bond investors. The Company has set up a bank account for raised proceeds to receive, store and transfer the proceeds raised from bonds, and paid the interest and principal of the bonds in full on time. The Company comprehensively understands and implements the relevant laws and regulations on the duration management of corporate bonds, the standardized operation of the bond market and the requirements for information disclosure. The risk management of the Company's bond issuance has been incorporated into the overall framework of the Company's risk management, and internal control measures have been established and improved according to the bond issuance characteristics. The bonds issued by the Company as a bond issuer have been incorporated into the Company's liquidity risk management system. The Company performs its information disclosure obligations in a timely and fair manner during the duration of the bonds in accordance with the provisions of laws, regulations and rules to ensure that the information is true, accurate, complete, concise, clear, easy to understand, and free of false records, misleading statements and major omissions. In 2024, the Company paid the principal and interest of bonds in a timely manner. The Company continued to maintain the international credit ratings including BBB+ from Standard & Poor's and Baa1 from Moody's, both of which are the highest international credit rating levels in the domestic securities industry. According to the assessment of Shanghai Brilliance Credit Rating & Investors Service Co., Ltd., the Company's entity credit rating was AAA, with the rating outlook of being stable.

The Company performs the information disclosure obligation through annual reports, interim reports and other forms in accordance with the Administrative Measures for Information Disclosure of Listed Companies, Securities and Futures Ordinance of Hong Kong, Guidelines on Disclosure of Inside Information of the Hong Kong Securities and Futures Commission and other laws, regulations and normative documents. The Company was rated A by the Shanghai Stock Exchange in terms of information disclosure work of listed companies from 2023 to 2024.

The Company formulated the Management System for Investor Relations of Guotai Junan Securities Co., Ltd. in accordance with the Guidelines for the Management of Investor Relations of Listed Companies, Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Self-regulatory Guidelines for the Companies Listed on the Shanghai Stock Exchange No. 1 – Standardized Operation, Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other laws, regulations and normative documents, so as to strengthen information communication with investors and potential investors, deepen investors' understanding and recognition of the Company, promote the Company's integrity, self-discipline and standardized operation, enhance the Company's investment value, and maximize the Company's value and shareholders' interests.

For details of corporate governance, refer to the 'Corporate Governance' section of the *Guotai Junan Annual Report 2024*.

8.2 Party Building

Guotai Junan has always adhered to the leadership of the Party and maintained a firm political direction, integrated Party building into its operation and management, and promoted the transformation of Party building achievements into a powerful driving force for reform, innovation and high-quality development.

The Company insists on integrating the leadership of the Party into corporate governance and adheres to the leadership system of "two-way entry and cross-employment". The Company's Party Committee gives full play to its leadership role and strives to improve its ability to "set the direction, manage the overall situation and ensure implementation". The Company has optimized the decision-making system such as the Implementation Rules for the "Pre-processed" Procedures and has further clarified the scope of discussion and decision-making of "Three Importance and One Large" (decision-making on important issues, appointment and removal of important officials, arrangement of important projects, and the use of large amounts of funds must be decided through collective discussion), the boundaries of power and responsibilities, the decision-making procedures, etc. By convening a Party Committee meeting, the Company conducts preliminary checks on important matters related to development, such as the actions of deepening and upgrading the Company's reforms, and effectively integrates the leadership of the Party into all areas, aspects and links of corporate governance and deepening reform. The Company focuses on improving the quality and efficiency

of grassroots discussion and decision-making, guides the Party organizations of subsidiaries to dynamically optimize the “Three Importance and One Large” decision-making mechanism, and promotes the institutionalization and standardization of grassroots discussion and decision-making. The Company was awarded the title of “Corporate Governance Model Enterprise for State-owned Enterprises” by the State-owned Assets Supervision and Administration Commission of the State Council.

The Company's Party committee insists on emphasizing standardization and strengthening the foundation to promote the overall progress of grassroots Party organizations. The Company will focus on the “full coverage” of the organizational system and Party work, and promote the standardization and normalization of grassroots Party organizations. The Company has established a “reservoir” of cadres for Party affairs, strengthened the deployment of grassroots personnel for Party affairs, systematically standardized the selection and appointment conditions, training and management assessment of cadres for Party affairs, and continuously improved the level of policy theory, business quality and performance capability. The Company attaches great importance to the “quality control” of the development of Party members, strictly carries out the development work of Party members, and pays attention to the development of Party members at the grassroots level and among young backbone members. The Company grasped the “wind vane” of model leadership, organized and carried out the practical activities of “remembering the instructions, shouldering the mission courageously, deepening reform and upgrading to make new achievements”, and built effective carrier platforms such as the pioneer posts of party members and the commando team of Party members. By showing identities, images and good examples, the Company has led the party members to actively participate in the comprehensive deepening of reforms. The Company was awarded the “Grassroots Party Building Innovation and Practice Base” by the Shanghai Municipal SASAC.

8.3 Cultural Construction

Guotai Junan has earnestly studied and implemented Xi Jinping's cultural thought, comprehensively strengthened the Party's leadership in publicity, ideological and cultural work, and vigorously promoted the implementation of the financial culture and securities industry culture with Chinese characteristics into the corporate culture, so as to actively practise the value concept system with “serving the country with financial services” as the core, make great efforts on the “five major articles” with cultural empowerment, and strive to be the main force in serving the real economy and the ballast stone for maintaining financial stability. The Company has formulated the Administrative Measures for Cultural Construction of Guotai Junan Securities to give full play to the functions of the Company's cultural construction leading group to regularly study major and key issues in cultural construction as well as coordinate and promote cultural construction. The Company takes the preparation of the annual report on cultural construction practice and quality assessment as a starting point, regularly summarizes the Company's practical experience of cultural construction, identifies deficiencies, analyzes the reasons and proposes improvement measures, so as to promote the expansion of cultural construction in breadth and depth.

The Company insists on integrating the cultural concepts of the securities industry and the core value concept of Shanghai municipal state-owned assets and state-owned enterprises into the Company's cultural construction, and strives to create a company-specific cultural brand matrix that organically integrates “serving the country with financial services”, “enterprise integrated with country”, “finance for good” and “integrity and professionalism”, “striving to be a top player” and “pursuing excellence”, in a bid to promote the “Four Persistence and Four Avoidances” to become the ideological and behavioral consciousness of all employees, empower corporate value creation with cultural soft power, and make corporate culture an important carrier for embodying and amplifying the Company's value, thereby providing ideological guarantee, value guidance and spiritual motivation for the Company to accelerate the construction of an investment bank with international competitiveness and market leadership, and safeguarding the roots and soul of the modern financial system with Chinese characteristics with practical results.

In 2024, the Company was rated Class A and Grade AA in the Cultural Construction Practice Assessment of Securities Companies in 2023 by the Securities Association of China, and received the highest rating in the industry cultural construction practice assessment for four consecutive years. The topic of *Research on the Institutional Guarantee for Cultural Construction of Securities Industry with Chinese Characteristics* was awarded as an Excellent Key Topic in 2023 by the Securities Association of China and one of the “Ten Achievements” of the 2023-2024 Research on Enterprise Ideological and Political Work under Shanghai Municipal SASAC. The Company won the 2024 National Outstanding Organization Award for Outstanding Research Achievements in Ideological and Political Work and Cultural Construction of the Financial System.

Topic 8-1 Guotai Junan's concept of corporate honor and disgrace: "Four Persistence and Four Avoidances"

Persist in following the Party's leadership and enhancing theoretical knowledge, avoid following the trend and giving up struggle

Persist in serving the real economy and benefiting the people, avoid straying from reality and self-serving

Persist in deep cultivation and meticulous work, uprightness and innovation, avoid short-termism and taking extreme measures

Persist in comprehensive incentives, synergy and cooperation, avoid excessive incentives and parochialism

Topic 8-2 Corporate Consensus of Guotai Junan

Benefits perspective

Serve the country with financial services, be market-oriented, balance the interests of all stakeholders

Business perspective

Be customer-first, focus on stable operation, innovation and transcendence

Talents perspective

Be people-oriented, select competent talents, focus on synergy and collaboration

Worldview

Be sincere and courageous, value reputation, focus on social responsibility

8.4 Risk Management

8.4.1 Governance

Guotai Junan has always adhered to the values of sound management, and actively practiced the concept that "risk management creates value and further development relies on compliant operations". By continuously perfecting the organizational structure, consolidating the institutional foundation, standardizing the work process, forging a talent team, and accelerating digital transformation, the Company continues to improve a comprehensive risk management system that is compatible with the Company's own development strategy, resolutely holds to the bottom line of no major risk events, and builds risk management the Company's core competitiveness, which ensures and promotes the high-quality development of the Company's business.

The Company has established a four-level risk management organizational system, consisting of the Board of Directors (including the Risk Control Committee) and the Supervisory Committee, the operation and management team (including the Compliance and Risk Management Committee and the Assets and Liabilities Management Committee), the risk management department, other business units, branches and subsidiaries. At the same time, based on its own business characteristics and operational risk level, the Company has established and continuously improved the four-

level risk management system, including: comprehensive risk management measures, basic risk types management measures (market risk, credit risk, operational risk, liquidity risk and reputation risk, etc.), the risk management systems for various types of businesses and products, and the operating procedures for specific businesses.

Table 8-1 The Comprehensive Risk Management Organizational System

Level	Main Responsibilities
The Board of Directors (including the Risk Control Committee) and the Supervisory Committee	<ul style="list-style-type: none"> The Board of Directors is the highest decision-making body for risk management of the Company and is ultimately responsible for the comprehensive risk management of the Company. The Supervisory Committee of the Company assumes the supervisory responsibility for the comprehensive risk management of the Company, supervises and inspects the performance of the risk management responsibilities of the Board of Directors and senior management, and urge rectification.
The operation and management team (including the Compliance and Risk Management Committee and the Assets and Liabilities Management Committee)	<ul style="list-style-type: none"> The operation and management team of the Company is primarily responsible for the comprehensive risk management of the Company. The operation team of the Company set up the Compliance and Risk Management Committee to implement overall management of the Company's operational risk and review and make decisions on major risk management issues.
The risk management department	<ul style="list-style-type: none"> Departments performing risk management duties include the risk management department, internal risk control department, legal compliance department, group audit center, planning and finance department, assets and liabilities department, information technology department, data center, operation center, administration office and other departments.
Other business units, branches and subsidiaries	<ul style="list-style-type: none"> The person in charge of each business unit, branch and subsidiary is the person first responsible for risk control of each unit. The Company continues to strengthen the risk control functions of all business committees, business units, branches and subsidiaries. The Company has established a compliance and risk management system for its subsidiaries, which requires them to establish and improve their own risk management system, thereby effectively improving the Company's overall risk management level.

The Company actively promotes the integration of ESG concepts into its comprehensive risk management system, and clearly defines the ESG risk management responsibilities of risk management organizations at all levels, including the Board of Directors, the operation and management team, the Risk Management Department, other business units, branches and subsidiaries. The Board of Directors supervises the implementation of ESG risk management. The ESG and Sustainable Development Committee has been established by the operation and management team, and a risk management working group has been established thereunder to coordinate and promote the construction of the ESG risk management system.

The Company continues to improve the ESG risk management system and mechanism. Of which, Guotai Junan Securities and its subsidiaries, Guotai Junan Zhengyu, Guotai Junan Asset Management, HuaAn Funds, Guotai Junan Futures, Guotai Junan International, etc. have respectively formulated their own *ESG Risk Management Measures*, while business units such as the investment banking business, equity investment business, pledge financing business have established corresponding ESG risk management policies and mechanism processes.

Continuing to innovate ESG risk management measures, the Company incorporates ESG risk review requirements in customer rating and project review, continuously strengthens ESG risk monitoring and early warning, timely provides reminders of important ESG risk policies, events and relevant entities, and conducts regular inspections on positions, and continuously enhances ESG risk perception and judgment capabilities.

The Company attaches great importance to the application of information technology in ESG risk management, and has developed an ESG risk management system to empower ESG risk management with information technology.

Table 8-2 ESG Risk Management Systems Formulated by Some Business Units and Subsidiaries

Name of Unit	Name of ESG Risk Management System
Debt Financing Department, Investment Banking Quality Control Department, Internal Audit Risk Management Department	<ul style="list-style-type: none"> Memorandum on Optimizing the Internal Audit Mechanism for ESG Projects such as Green Bonds
Securities Derivatives Investment Department	<ul style="list-style-type: none"> Investment Research Framework for Listed Companies of the Securities Derivatives Investment Department (ESG)
Guotai Junan Zhengyu	<ul style="list-style-type: none"> ESG Risk Management Measures of Guotai Junan Zhengyu Investment Co., Ltd. ESG Due Diligence Guidelines of Zhengyu Investment
Guotai Junan Asset Management	<ul style="list-style-type: none"> ESG Risk Management Measures of Shanghai Guotai Junan Securities Asset Management Co., Ltd.
HuaAn Funds	<ul style="list-style-type: none"> ESG Risk Management System and Process of HuaAn Hong Kong
Guotai Junan Futures	<ul style="list-style-type: none"> ESG Risk Management Measures of Guotai Junan Futures Co., Ltd.
Guotai Junan International	<ul style="list-style-type: none"> ESG Policy ESG Risk Management Policy PEM Guidelines on ESG Investment

8.4.2 Strategy

The risk management work closely followed the requirements of the Company's overall strategic planning, focusing on platformization and verticalization, working hard on refinement and precision, and taking practical measures on mechanism and long-term effect, so as to improve the level of risk protection in an all-round way and comprehensively build a new landscape for high-quality and safe development of the Company.

The Company regards actual practice as the sole criterion to test the effectiveness of risk management, and has developed the "531" framework with the goal of building a comprehensive risk management system that is "proactive, pragmatic and effective, professional and strong, and precise and empowering". The framework focuses on 5 types of risks, namely market risk, credit risk, liquidity risk, operational risk and reputational risk; 5 key areas, including trading business, credit business, subsidiaries, IT systems and large investment banking business; 5 types of overall risk events, namely major investment loss events, major social impact events, major IT events, major liquidity events, and major investment banking events. The Company strictly controls the three defense lines of front-line risk control, full-time risk control and auditing, and masters the three key points, namely systems and rules, mechanism and process, pre-judgment, early warning and response. The Company has built an information system platform under the comprehensive risk management platform in order to consolidate the vertically integrated management system, and established a management and control model that integrates and penetrates the parent company and subsidiaries.

8.4.3 Impacts, Risks and Opportunities Management

The Company optimizes the risk management policies and standards, and on the basis of proper daily risk management, the Company improves the comprehensive risk management system and mechanism, strengthens risk monitoring and early warning, improves risk response plans, and enhances the application level of professional risk management tools.

The Company has strengthened the vertical penetration control of key areas, revised and optimized the identification standards for major projects and significant risks of subsidiaries, developed and implemented a risk monitoring indicator system for cross-border derivatives business, established and improved the overall liquidity management mechanism and the risk management and control model of overseas subsidiaries to guide overseas subsidiaries to improve their comprehensive risk management systems.

The Company has accelerated the construction of a comprehensive risk management platform, improved the group-oriented risk monitoring and risk measurement capabilities, improved the automation and process level of the three major operational risk management tools, applied innovative technologies to improve the efficiency of risk early warning, actively explored the risk management applications of large models and other artificial intelligence technologies, and enhanced the support effectiveness of the professional risk control system.

Table 8-3 Risk Management Measures

Risk Category	Main Measures
Market risk	<ul style="list-style-type: none"> The Company carries out limit management for market risks. It has formulated market risk limit systems and various risk indicators including business scale, loss limit, value at risk VaR, exposure, Option Greeks, hedging effectiveness and concentration, etc., and has determined the early warning standards, warning standards and countermeasures for market risks. The Company has actively conducted stress testing to measure and assess possible losses under extreme market changes. The Company conducts comprehensive and special stress testing on a regular basis, strengthens the risk assessment and dynamic monitoring of trading and investment business, and applies its stress testing results to market risk management and limit management.
Credit risk	<ul style="list-style-type: none"> The Company implements access management for credit risks, and conducts credit rating on clients before carrying out credit risk-related business. The Company grants credit to and does business with only those that meet the access criteria. Each business department conducts due diligence management based on their actual business conditions, assesses customers' credit qualifications and determines transaction limits. The Company mitigates credit risk by collecting deposits, qualified collateral and adopting net settlement. The Company sets access standards for bond investment business, conducts whitelist management and concentration control, and continuously tracks and assesses the credit risk of bond positions. For credit business, the Company has set detailed collateral access standards and discount rates according to business characteristics. The Company screens the qualifications of counterparties in the over-the-counter derivative business, and controls the credit risk of counterparties by means of daily mark-to-market, margin calls and forced liquidation of positions, etc. The Company sets reasonable credit risk stress scenarios, conducts stress testing and analyzes testing results.
Liquidity risk	<ul style="list-style-type: none"> The Company conducts overall liquidity risk assessment using the risk indicator analysis method. The Company has established a liquidity risk limit system to implement limit management for liquidity risks, and monitors and reports on the implementation of the limit. The Company has established a quantitative model for liquidity realization risks of financial assets to measure the liquidity of various types of exchange-traded and OTC financial assets of the Group on a daily basis, so as to assess the liquidity realization risk of various financial assets, and conducts stress testing of liquidity risk on a regular or irregular basis.

Risk Category	Main Measures
Operational risk	<ul style="list-style-type: none"> The Company has sorted out the key risk points and control processes of each business, used the operational risk management system to carry out daily operational risk management, and formulated operational risk and control self-assessment procedures. By systematically collecting and sorting out operational risk events and loss data, the Company has established a system of key risk indicators for operational risks. It monitors the operation of indicators, and provides regular reports. The Company continues to strengthen the security of the information system, formulated a comprehensive response plan for information security incidents, regularly evaluates the main emergency response plan and sub-plans, and refines, improves and optimizes the system and emergency plans through scenario drills.
Reputation risk	<ul style="list-style-type: none"> The Company has incorporated reputation risk management into its comprehensive risk management system, and has established a reputation risk management mechanism. The Company accurately identifies, prudently assesses, dynamically monitors, promptly addresses and fully manages the reputation risks existing in the process of operation and management, so as to maintain the Company's reputation and build a high-quality brand image.

The Company adopts differentiated ESG risk management measures in respect of its key businesses such as investment banking business, trading and investment business, asset management business and credit business. The Company has integrated ESG risk factors into customer access management, rating and credit extension management, concentration management, contract management and duration management. For customers, counterparties, targets and financial products with prominent ESG risks, it took various measures, including restricting business applications, reducing various risk limits and concentrations, and filing legal proceedings.

Table 8-4 ESG Risk Management Measures

Business Type	ESG Risk Management Measures
Investment banking business	<ul style="list-style-type: none"> Project undertaking: Clarify the key points of ESG risk due diligence based on the characteristics of clients and the industries and regions where their projects are located and incorporate ESG risk factors into project approval and internal audit review. Follow-up management: Continuously monitor the ESG risks of projects, dynamically collect information that may affect the ESG risk status of projects in their duration, promptly prompt and investigate potential ESG risks of projects, and adjust project risk classification.
Credit business	<ul style="list-style-type: none"> Establish ESG definition standards and evaluation systems throughout the whole process of credit business from three dimensions: financing subjects, underlying bonds and financing purposes, establish ESG due diligence guidelines and report templates, and prioritize ESG assessment as a key component of due diligence. Carry out ESG due diligence, form a detailed due diligence report and take the results of ESG due diligence as a key basis for determining the financing amount, cost and term, and ensure that the results of ESG due diligence are integrated into the credit risk management process.
Trading and investment business	<ul style="list-style-type: none"> Equity investment: Formulate the stock ESG investment research framework, establish an ESG evaluation system for individual stocks and industries, and take ESG factors as a crucial decision-making basis and post-investment management content for equity investment business. Fixed income investment: The fixed income ESG investment research framework was formulated to clarify the methods for ESG assessment of unsecured bond issuers, to build a differentiated ESG evaluation system for various industries, and to incorporate the ESG evaluation results into the investment decision-making process.
Asset management business	<ul style="list-style-type: none"> Establish an ESG investment research system covering stocks and bonds, and comprehensively apply ESG investment strategies such as negative screening, positive screening, normative screening, ESG integration, themed investing, impact investing and active ownership to build a series of ESG asset management products.

The Company considers ESG due diligence as an important measure to prevent ESG risks in its investment and financing business, identifies and summarizes the key points of ESG risk due diligence, and continuously improves the due diligence system. On the one hand, the Company clarified the division of responsibilities, principles and requirements for due diligence at the level of business management and risk management system; on the other hand, it established special due diligence management methods, implementation rules and draft catalogues for different units such as investment banking business, credit business, trading and investment, asset management business and subsidiaries.

Table 8-5 ESG Due Diligence System

Category	Content
Coverage	<ul style="list-style-type: none"> Investment banking business, credit business, trading and investment, asset management business, subsidiaries, etc.
ESG due diligence system	<ul style="list-style-type: none"> At the company level, the ESG Risk Management Measures of Guotai Junan Securities Co., Ltd. clarify the division of responsibilities, principles and requirements for due diligence. Specific due diligence management measures, implementation rules and draft catalogues have been established for different business lines such as investment banking business, credit business, trading and investment, asset management business and subsidiaries.
ESG due diligence methods	<ul style="list-style-type: none"> A combination of on-site and off-site methods can be used to comprehensively, systematically and continuously collect and analyze internal and external information that may affect ESG risks. If necessary, due diligence work on specific ESG risks can be carried out through external experts or external institutions.
Key points of ESG due diligence	<ul style="list-style-type: none"> Clarify the key points of ESG risk due diligence according to the characteristics of the industries and regions involved in the customers, counterparties, targets and financial products, to ensure that the investigation is comprehensive, in-depth and detailed, and seek support from qualified and independent third-party institutions when necessary. ESG due diligence focuses on the main topics in three major areas, namely environment, society and governance, including: pollution and waste, negative environmental incidents, natural resources and ecological protection, human capital, product and service quality, research and development and innovation, suppliers management, corporate governance structure, governance practices, etc.
Due diligence requirements for high ESG risk industries	<ul style="list-style-type: none"> Targeted due diligence and risk review requirements are formulated for industries with high ESG risks such as agriculture, energy utilization, mining, oil and gas, as well as fields such as biodiversity and climate change, by studying the ESG risk characteristics of relevant customers, counterparties, targets and financial products.



Topic 8-3 Guotai Junan promotes the construction of ESG risk management information system

The construction of Guotai Junan's ESG risk management system is closely centered on actual management needs, covering core functional modules such as risk monitoring, risk classification, rating breakdown, and policy and system research and judgment. Among which, the risk monitoring module is equipped with the functions of "monitoring screen", "my monitoring" and "early warning log" to serve ESG risk monitoring and early warning; the risk classification module supports customer ESG risk classification based on audit process and expert experience; the rating breakdown module conducts top-down breakdown analysis of external mainstream ESG ratings; the policy and system research and judgment module has established various internal and external ESG policy and system libraries to serve the analysis and judgment of ESG risk policies. In the future, the Company will actively explore the systematic construction of various risk management tools such as climate risk stress testing and ESG ratings.

8.4.4 Indicators and Targets

The Company continues to improve its vertical and group-based comprehensive risk management system, firmly adheres to the bottom line of no major risks, and strives to ensure the achievements of high-quality development of the Company. In 2024, the Company had no major risk events, and continued to maintain high evaluation results in the classification evaluation of securities companies by the China Securities Regulatory Commission, maintaining the highest international credit ratings in the domestic industry from Standard & Poor's and Moody's for a long time, and was included in the white list of securities companies by the CSRC consecutively.

8.5 Compliance Management

8.5.1 Compliance Management System

Guotai Junan adheres to the philosophy of “future development relies on compliant operations”, and formulated internal management systems such as the Compliance Management Measures, Compliance Review Measures, Compliance Inspection Measures and Compliance and Risk Management Accountability Measures in accordance with the Compliance Management Measures for Securities Companies and Securities Investment Fund Management Companies and other rules and regulations. The Company has established and improved a four-tier compliance management organizational system consisting of the Board of Directors (including the Risk Control Committee) and the Supervisory Committee, the Chief Compliance Officer, the Legal Compliance Department and the Company's first-line compliance and risk control personnel. The Company has established a compliance management system to achieve effective identification, management and control of compliance risks, and formed a comprehensive risk management structure and a long-term internal control mechanism based on compliance management, making compliance culture an important part of the Company's culture. The Company has actively organized legal compliance training and promotion activities to continuously enhance the compliance literacy of frontline compliance management personnel and business personnel. In 2024, the Company conducted 519 compliance training sessions, involving 73,826 participants.

Table 8-6 Compliance Management Measures in 2024

Main Measures	Specific Practices
Strengthen the coordination and collaboration of the three lines of defense	<ul style="list-style-type: none"> • Strengthen the communication between the head office and branches, organize and hold first-line compliance risk control training and exchange meetings for branches, continue to promote the orderly connection between the accountability of Party disciplinary and administrative actions and the Company's internal compliance accountability, and complete the closed-loop management of the branches' economic accountability measures. • Revise the Company's compliance risk control assessment indicators, add three special indicators such as “clean business management”, “cultural construction in accordance with law” and “investor rights protection”, and further refine the criteria for adding and deducting scores. • Strengthen the coordination mechanism of the three lines of defense for investment banking business, ensure that investment banking risk issues are managed in a timely and effective manner, and continue to promote the performance of first-line compliance professionals. • Revise the Company's Compliance Inspection Measures to further standardize the Company's business activities and the professional behavior of its staff, and improve the operating mechanism for effective management of compliance risks.
Strengthen compliance risk prevention and control as well as prejudgment and early warning	<ul style="list-style-type: none"> • Track regulatory updates, compiled and published 49 issues of the Regulatory Updates, 14 issues of the Notice on Implementation of New Regulations, 26 issues of the Interpretation of Important New Regulatory Regulations, and 27 issues of the Reporting and Analysis of Risk Cases. • Strengthen the construction and implementation of internal control systems for new businesses, new fields and new regions, and strengthen compliance control of key businesses and key fields. • Encourage the comprehensive promotion of mandatory notarization in the field of stock pledge business, improve the long-term management and control mechanism for cashing out beyond standards in margin financing and securities lending, and clarify the compliance requirements for Guotai Junan Asset Management, branches and bank channels to cooperate in selling products.

Main Measures	Specific Practices
Accurately empower high-quality business development	<ul style="list-style-type: none"> • Provide compliance support for the first B-share brokerage agency business between the Company and an overseas securities company, the first bond netting settlement agency clearing business, the successful implementation of the privacy computing financial technology innovation pilot project and the innovative solutions. • Focus on major business risks and group risk management, and clarify the negative list of compliance management in combination with the characteristics and needs of different businesses such as trading and investment, digital finance and quantitative business. • Combined with the key compliance concerns of each business, prepare a special workbook for legal compliance management, and promote the standardization and institutionalization of the Company's daily compliance management. • Optimize the control measures of key links such as QR code business development in branches, organize and carry out a special self-inspection on the behavior of employee channel promotion code business development, and build a compliance control mechanism of "before, during and after events" for enterprise WeChat.
Implementation of full coverage of group compliance control	<ul style="list-style-type: none"> • Implemented group vertical management requirements for subsidiaries, carried out compliance inspections and supervised rectification, promoted subsidiaries to implement the requirements of the new <i>Company Law</i> on the establishment of employee directors or employee supervisors, etc., and deepened the group control of cases and lawyers. • Promote the integration and collaboration of cross-border business between parent company and subsidiaries and follow up on the standardization and rectification of illegal cross-border business. • Clarify the boundaries of the responsibilities of the parent company and subsidiaries investment behavior management and improve the subsidiary's investment behavior management mechanism. • Supporting subsidiaries to enter case management information in real time through the legal compliance platform, and providing specific guidance and coordination support for important cases of subsidiaries on an ongoing basis.
Enhancement of "digital intelligence" for compliance management	<ul style="list-style-type: none"> • Enhance the digitalization and greening of legal compliance management, with more than 90% of employee-facing legal compliance texts being signed paperless. • Through the construction of a new version of the bond trading monitoring system, we will carry out compliance monitoring throughout all aspects of the bond business and cover all data, and promote intelligent services such as research services and bond evaluation. • Continue to optimize the legal compliance platform system, and complete the development of new version of case and lawyer management functions; complete the basic development of system database and risk event database to achieve automatic capture of regulatory dynamics; automatic sending function for key monitoring accounts and key monitoring stocks of abnormal trading on the stock exchange; the technical monitoring of key businesses of the Company was strengthened, for example, complete the bond monitoring system early warning function, and monitor the trading behavior of clients of credit account ETF live contest. • Explore ways to enhance the degree of compliance management intelligence, build "Qianji Legal Compliance Assistant" on the Company's Qianji AI platform, and add AI support to functional modules such as contract and agreement approval sheets, tips on the implementation of new laws and regulations, and the Company's system library.
Enhancement of the capacity to govern enterprises in accordance with the law	<ul style="list-style-type: none"> • Carry out a special presentation of the law to the Party Committee of the Company by the main Party and government leaders of the Company for the year 2024, and improve the system related to the management of the General Counsel and the Company's lawyers. • Actively participated in the 8th "Corporate Legal Skills Competition" and won the "Special Contribution Award" and the "Excellent Organization Award". • Organize various forms of learning and training to ensure the effective connection between internal governance and the new requirements of the <i>Company Law</i> by means of comprehensive combing and benchmarking self-inspection. • According to the requirements of Shanghai SASAC to carry out the mid-term research to further deepen the construction of Shanghai State-owned Enterprises under the rule of law and submit the self-inspection report, and participate in the research and supervision team of SASAC. • In 2024, the Company was selected as a contact point for grassroots legislation of the Standing Committee of the Shanghai Municipal People's Congress, which has been officially awarded.

8.5.2 Anti-Money Laundering

Guotai Junan stringently implements the anti-money laundering responsibilities of financial institutions, fulfills the legal obligations of anti-money laundering, establishes a multi-level money laundering risk management structure, and clearly stipulates the division of responsibilities of each unit in money laundering risk management, so as to ensure that the anti-money laundering work requirements can be promoted layer by layer from top to bottom and effectively implemented. The Board is the highest leading organization of the Company's money laundering risk management and bears the ultimate responsibility for the Company's money laundering risk management. The Supervisory Committee is responsible for supervising the Company's money laundering risk management. The Company's senior management bears the responsibility for the implementation of money laundering risk management, and Company designates the compliance director to take the lead in money laundering risk management. The Company has set up an anti-money laundering leading group, headed by the President, with the Compliance Director as the deputy head, and comprised of relevant senior management personnel, heads of headquarters management departments such as the legal compliance department, the group audit center, the risk management department, the operation center, the information technology department, the human resources department and other business departments at the headquarters. The legal compliance department is the company's lead department for money laundering risk management of the Company. As the first line of defense in anti-money laundering work, each business department (line) bears the direct responsibility of money laundering risk management of the unit; all management departments, branches and subsidiaries of the Company shall perform their respective duties within their respective scope of responsibilities, make their best efforts and operate in coordination to ensure that money laundering risk management efforts are steadily promoted and effectively implemented; the audit department as the third line of defense in anti-money laundering work shall conduct audit evaluation of compliance with and effectiveness of money laundering risk management of the Company.

In accordance with the *Anti-money Laundering Law of the People's Republic of China*, the *Guidelines for the Management of Money Laundering and Terrorist Financing Risks of Corporate Financial Institutions*, the *Measures on the Administration of Client Identity Identification and Materials and Transaction Recording of Financial Institutions* and other laws, regulations and supervisory requirements, and in light of the actual situation of the business, the Company formulated the *Measures for the Management of Money Laundering and Terrorist Financing Risks*, the *Management Measures for Anti-Money Laundering*, the *Management Measures for Money Laundering and Terrorist Financing Risk*, the *Measures on the Administration of Client Identity Identification and Materials and Transaction Recording*, and established a comprehensive internal control system for anti-money laundering, which cover customer due diligence, classification and classified management of customer risks, customer identity information and transaction record keeping, reporting of large-value transactions and suspicious transactions, money laundering risk assessment, risk management of terrorism financing and economic sanctions, emergency plan and risk handling, anti-money laundering work management of branches, anti-money laundering confidentiality, inspection and auditing, publicity and training, performance appraisal Cooperating with anti-money laundering and anti-money laundering investigation and other aspects.

The Company organizes and carries out various forms of anti-money laundering publicity activities and establishes a regular anti-money laundering publicity mechanism, using media platforms such as the "Guotai Junan Anti-Money Laundering" WeChat public number and the "Guotai Junan Investor Education Base" to produce and release a series of videos on typical cases of money laundering crimes and carry out case-based publicity activities. All branches also publicized anti-money laundering knowledge and distributed promotional leaflets and brochures to investors through displaying easy-roll-ups, broadcasting videos, hanging banners, setting up consulting service counters, and conducting outdoor publicity in conjunction with the Financial Literacy Month and Financial Literacy for Ten Thousand Families activities, etc. In 2024, the Company carried out Anti-Money Laundering publicity for investors through the Anti-Money Laundering WeChat public number 23 times; meanwhile, the Company continued to enhance the awareness and business level of its employees by conducting 34 Anti-Money Laundering training sessions with a total of 19,976 participants in 2024.

In 2024, the company did not receive any penalties related to anti money laundering from regulatory authorities. The Company's internal audit has completed a total of 221 anti-money laundering related audit projects, including 18 headquarter audit projects, 14 subsidiary audit projects and 189 branch audit projects.

Table 8-7 Anti-Money Laundering Management Initiatives in 2024

Main initiatives	Specific approach
Implementing anti-money laundering regulatory requirements	<ul style="list-style-type: none"> • Prepare the <i>2023 Annual Report on Anti-Money Laundering</i> and the <i>2023 Annual Statement on Anti-Money Laundering</i> to the Shanghai branch of the People's Bank of China. • Submit materials related to the 2023 regulatory assessment of money laundering risks of legal entities to the Shanghai branch of the People's Bank of China. • Participated in the risk assessment of money laundering and terrorist financing in the industry led by China Securities Association (CSA), and as a member of the special working group for the assessment, assisted CSA in formulating the questionnaire on risk control measures for member units and writing the <i>Risk Assessment Report on Money Laundering and Terrorist Financing in the Securities Industry</i>.
Convene two meetings of the Anti-Money Laundering Steering Group	<ul style="list-style-type: none"> • The meeting reviewed the anti-money laundering supervisory situation and reported on the issues raised by the supervisory visits as well as the implementation of the corrective actions of the special audits in 2023 and the key work plan for the next phase. • Study to launch a new self-assessment of the Company's money laundering and terrorist financing risks. • Invite senior experts in the field of anti-money laundering to conduct anti-money laundering special training for senior management of the Company.
Carrying out institutional self-assessments of money-laundering and terrorist financing risks	<ul style="list-style-type: none"> • The Company launched a new round of self-assessment of money laundering and terrorist financing risks of the organization, and by the end of 2024, the implementation phase of the self-assessment was completed, and the calculation of the results of the assessment as well as the writing of the report were continuously advanced.
Optimization of anti-money-laundering working mechanism	<ul style="list-style-type: none"> • In terms of suspicious transaction monitoring, we have completed the regular and irregular assessment of monitoring standards, optimized the monitoring rules of 14 existing models and added 6 new models. • In terms of customer due diligence and risk level assessment, we have comprehensively revamped the functions and processes of the customer due diligence system, optimized the factor algorithms of the customer risk rating model. • In the area of list monitoring, the screening criteria for list monitoring have been optimized, the intensity of fuzzy matches to priority lists has been enhanced, and measures have been taken to improve the timeliness of list verification and the quality of verification analysis. • In terms of anti-money-laundering information confidentiality, a standing monitoring mechanism has been established to monitor and verify job changes, abnormal use during non-working hours, abnormal data export and other circumstances.
Conducting anti-money-laundering inspections and audits	<ul style="list-style-type: none"> • The Legal and Compliance Department carried out special inspection on the anti-money laundering work of the two branches in 2023, and conducted anti-money laundering operation practice training for all anti-money laundering related personnel of the two branches. • The Legal and Compliance Department organizes special inspections on the identification of money laundering risks of clients involved in external risk events. The Department conducts off-site inspections of the performance of headquarters business units and branches in terms of whether they adequately and effectively identify risk information and whether they adjust the risk level in accordance with the risk situation. • The Group Audit Center conducted a special audit on the implementation of the Company's anti-money laundering work for the year 2023 and issued the <i>Special Audit Report on Anti-money Laundering for the Year 2023</i>, which was submitted to the Shanghai branch of the People's Bank of China after passing the deliberation of the Audit Committee.
Implementation of the newly amended Anti-Money Laundering Law of the People's Republic of China	<ul style="list-style-type: none"> • Prepare <i>Interpretation of Important New Regulatory Regulations</i> and push it to the Company's senior management, heads of departments at headquarters, heads of branches, and first-line compliance and risk control heads. • Prepared a courseware on <i>Interpretation of the Revised Key Points of the Anti-Money Laundering Law</i> and pushed it to all the employees to learn it in order to enhance their knowledge and understanding of the new regulations. • Launched a series of publicity activities on the "Amendment of Anti-Money Laundering Law" on the Company's WeChat public number to expand the coverage of publicity through online channels and enhance the awareness of employees and related personnel on anti-money laundering. At the same time, we also produced a poster on the theme of "Amendment of Anti-Money Laundering Law" to publicize and popularize it in a visual way. • Initiated the revision of the Company's anti-money laundering related system to ensure that the Company's internal system is in line with the requirements of the new regulations, to further improve the anti-money laundering working mechanism and to enhance the effectiveness and compliance of the Company's anti-money laundering work.

Table 8-8 Anti-Money Laundering Indicators

Indicators	Unit	2022	2023	2024
Number of incidents in which penalties were imposed for failure to comply with anti-money-laundering obligations as required	case	--	1	0
Scale of funds penalized for failure to comply with anti-money-laundering obligations as required	RMB 10,000	--	95	0

Note: In 2023, the Company was subject to 1 regulatory penalty in respect of anti-money laundering by the Shanghai Branch of the People's Bank of China, with a fine of RMB 0.95 million. The Company has taken relevant rectification measures in response to the issues pointed out by the regulator and reported the completion of rectification in writing to the Shanghai Branch of the People's Bank of China.

8.5.3 Tax Management

Guotai Junan attaches great importance to tax control and risk management, strictly abides by the tax laws and regulations of the places where it operates, and pays taxes in full and on time in accordance with the law. The Company strengthens the tax management of value-added tax (VAT), income tax and other taxes, and formulates systems such as *Measures for Accounting for Value-added Tax of Guotai Junan Securities Company Limited* and *Measures for Management of Enterprise Income Tax of Guotai Junan Securities Company Limited*, to standardize the tax management process and to strictly guard against tax risks. Meanwhile, the Company has set up a refined and automated tax management system to ensure the smooth implementation of daily tax work, implement tax risk management into all processes and form a tax management system that can respond quickly. According to the *Measures for Tax Credit Management (for Trial Implementation)* and *Tax Credit Evaluation Indicators and Evaluation Methods (for Trial Implementation)* issued by the State Administration of Taxation, the Company has been continuously recognized as a "Class A Tax Credit Enterprise" by the Shanghai Jing'an District Tax Bureau of the State Administration of Taxation.

8.5.4 Protection of Intellectual Property Rights

Guotai Junan strictly abides by the *Trademark Law of the People's Republic of China*, *Copyright Law of the People's Republic of China*, *Patent Law of the People's Republic of China* and other laws and regulations, formulates systems such as *Rules for the Management of Intellectual Property Rights of Guotai Junan Securities Company Limited* and *Measures for the Management of the Genuine Version of the Software of Guotai Junan Securities Company Limited* and establishes the Intellectual Property Rights Management Group with the synergy of multi-departments to clearly define trademarks, patents, works, domain names and other intellectual property rights declaration process and dispute handling mechanism, strictly prohibiting any unauthorized use of others' intellectual property rights for commercial purposes. While safeguarding the Company's intellectual property rights from being infringed upon, we do not infringe upon others' trademarks, patents and copyrights, and effectively safeguard the company's brand reputation and brand equity.

In 2024, the Company carried out more than 160 protection projects on intellectual property right such as trademark, patent and copyright, including more than 50 for trademark application and copyright registration, 24 for software copyright registration and 76 for patent application; The Company continued to combat the activities of fraudulent use and misappropriation of Guotai Junan's brand and trademark rights, and took down the infringing social media accounts and closed the infringing links and applications through timely release of reminder announcements, reporting to the relevant units, and assisting the relevant units in dealing with counterfeiting cases

8.5.5 Audit Supervision

Guotai Junan complies with the requirements of implementing the *Internal Audit Guidelines for Securities Companies*, continuously improves the construction of internal audit system and mechanism, comprehensively promotes the centralized management of internal audit and the implementation of the chief auditor system, formulates and revises the *Measures for the Management of Internal Audit*, the *Working Rules of the Audit Committee of the Board of Directors*, the *Measures for the Management of Audit and Rectification*, the *Measures for the Management of Internal Audit Quality Assessment*, the *Measures for the Anti-Money Laundering Audit Work*, the *Auditing Measures for Compulsory Leaving of Persons in Charge of Branches*, the *Auditing Measures for Economic Responsibility* and the *Measures for the Administration of the Work of the Chief Auditor* and other systems, as well as strengthens the inspection of clean practice, improves the closed-loop of audit rectification and improves the effect of audit rectification and further enhances the efficacy of audit supervision. In 2024, the Company implemented a total of 310 audit projects and decomposes the rectification items identified during the audit one by one to form a list of rectification issues, implements ledger management for the list of rectification issues, and dynamically manages the rectification situation by carrying out “reconciliation and cancellation”, and in view of the issues identified in the audit, all the rectification work was completed in the current year except for some matters.

8.5.6 Complaint Reporting and Protection for Whistleblowers

The Company conscientiously does a good job in the management of letters and reports to help the Company identify management risk points and further improve the internal control system. The Company strictly abides by the *Articles of Association of the Communist Party of China*, *Certain Guidelines on Intra-Party Political Life under New Circumstances*, *Regulations on Disciplinary Actions of the CPC*, *Supervision Law of the People's Republic of China* and other Party regulations and national laws, and has formulated the *Working Rules of the Disciplinary Inspection and Supervision Team of Guotai Junan Securities for Whistleblowing*, which clarifies that the disciplinary inspection and supervision team stationed at the Company is responsible for the work related to the Company's complaint reporting and whistleblowing work, and that it is smooth with the letter-visit and report channels. Whistleblowers can make complaints and reports through letters, visits, phone calls, emails, online report acceptance platforms and other reporting methods. In addition, the Company actively implements the whistleblower protection system, stipulating that for anonymous whistleblowing materials, unauthorized verification of the whistleblower's handwriting, Internet Protocol address (IP address) or other information, and specifying that personnel shall not retaliate against the whistleblower and the staff dealing with the whistleblowing complaints, and that the whistleblower may file an application for protection in the event of being threatened or infringed upon as a result of whistleblowing complaints. For the infringement of the legitimate rights and interests of whistleblowers, the Company in accordance with the rules and regulations of the law to seriously investigate and deal with.

8.6 Business Ethics

8.6.1 Anti-Bribery and Anti-Corruption

Guotai Junan attaches great importance to anti-bribery, anti-corruption and other probity practice management, strictly abides by laws and regulations, including the *Securities Law of the People's Republic of China*, *Regulations on the Supervision and Administration of Securities Companies*, *Probity Practice Provisions for Securities and Futures Business Institutions and Their Employees*, *Supervision and Administration Measures for Directors, Supervisors, Senior Management and Practitioners of Securities Fund Business Institutions*, *Opinions on Strengthening the Supervision of Probity Practice of Intermediary Institutions under the Registration System*, *Opinions on Strengthening the Prevention and Control of Risks in Probity Practice of Securities Companies in Investment Banking Business such as Hiring Third Parties* and *Implementation Rules for Probity Practice of Securities Business Institutions and Their Employees*, has formulated policies such as the *Probity Practice Provisions of Guotai Junan Securities Co., Ltd.*, and a comprehensive supervision and management system for probity practices has been established.

The Company's Party committee signs the *Statement of Responsibility for Building Probity in Party Practice* with the Party organizations of all units every year, requiring the key responsible officers of the Party organizations of all units to earnestly perform their duties and conscientiously implement the task of building probity in Party practice. The progress of implementing the Statement of Responsibility

will become the key content of appraising the building of probity in Party practice. In addition, according to the relevant requirements of the *Implementation Rules for Probity Practice of Securities Business Institutions and Their Employees* formulated by the Securities Association of China, new employees when they join the Company and all employees in every year must sign the *Undertakings of Employees for Probity Practice*.

In 2024, the Company organized and convened meetings of the Probity Practice Leading Team to promote and implement the Company's probity practice management tasks scheduled for 2024. A memorandum on the establishment of a collaboration mechanism was formulated by the Legal Compliance Department, the Inspection and Audit Center of the Group and the Discipline Inspection and Supervision Team to promote joint efforts in achieving "Big Supervision". The Company completed the compliance inspection on probity practice in 2023 and implemented the closed loop of self-inspection and self-correction in the management of probity and integrity practices in 2023, and organized self-inspection and self-correction in the management of probity and integrity practices in 2024.

Table 8-9 Organizational Structure of Probity Practice Management

Board of Directors, Supervisory Committee

- The Board of Directors is responsible for formulating the goals and overall requirements for probity practice management, and it is held accountable for the effectiveness of probity practice management.
- The Supervisory Committee supervises Directors and senior management in their performance of probity practice management duties.

Probity Practice Leading Team

- Be responsible for consistent implementation of the work requirements of building probity practice in regulatory departments and superior authorities, conducting studies and deployment on major issues related to probity practice such as comprehensively improving the Company's probity risk prevention and control mechanism and enhancing the Company's capability in probity practice management.
- To supervise and inspect the consistent implementation of the relevant policies on building probity practices of the Company.

Senior management

- The key responsible person of the Company shall be the principal person to be responsible for implementing the management responsibilities of probity practice and shall assume the leading responsibility for the violation of laws and regulations in the Company's integrity practice.
- Other senior management of the Company are responsible for supervising the implementation of the management objectives of probity practice within their respective areas of responsibilities and are accountable for management responsibilities in probity operations.

Person-in-charge of each department and branch entity

- Be responsible for the specific implementation of the management objectives of probity practice in the unit.
- To establish and improve the organizational structure of probity practice management in the unit, provide necessary resources and protection for the establishment, implementation, maintenance and continuous improvement of the probity practice management internal control system, and ensure the independence of the probity practice management personnel in performing their duties.
- To establish and improve the internal control system for the probity practice in the unit and supervise its implementation, and to supervise and manage the conduct of all employees in the unit.
- To organize self-inspection or actively cooperate with inspections, require timely rectification when problems are discovered, report violations of probity practice in a timely manner, and carry out internal accountability.
- The front-line compliance and risk control person-in-charge or the responsible officer for compliance and risk control of each department and each branch entity is the contact person for probity practice management of the unit, who will specifically implement supervision on probity practice of the unit and all of its employees, and report to the Probity Practice Leading Team of the Company.

Table 8-10 Major Initiatives of Probity Practice Management

Probity Risk Assessment

- The Company incorporates the risks of probity practice into its overall risk management system. The Probity Practice Leading Team is responsible for organizing all relevant units of the Company to identify and assess the points of probity practice risk in the types and segments of business they are engaged in, strengthen check and balance of positions and internal supervision mechanism, and ensure their effective operation.
- The business types and segments covered by the probity risk assessment include business contracting, undertaking, sales, trading, settlement, delivery, investment, procurement, business cooperation, personnel recruitment, application for administrative license, acceptance of regulatory enforcement and self-discipline management.
- Probity risk assessment covers all departments, branches and personnel of the Company, including employees who have established labor relations with the Company, securities brokers who have signed entrustment agreements with the Company, personnel seconded from or temporarily deployed by the Company, and other employees dispatched to the Company.

Daily inspection and self-inspection

- The Company incorporates the probity practices of each unit and all of its employees into its daily compliance inspection, supervision and discipline enforcement and audit work, supervises rectification of identified problems in a timely manner to form a normalized supervision mechanism. The Legal Compliance Department shall regularly organize and conduct internal inspection on probity practices at least once a year. Each unit conducts a self-inspection on the implementation of probity practices every year, and rectifies the problems identified in a timely manner.
- The Company strictly manages the investment behaviors of its employees by formulating the *Administrative Measures for Investment Behaviors of Employees* to improve the management and control mechanism of illegal dealings in shares by employees, such illegal conduct is incorporated into the scope of compliance inspection, and a dual-track parallel mechanism is established for daily monitoring and compliance inspection.

Periodic inspection

- The Probity Practice Leading Team organizes special inspections from time to time on the implementation of probity practices in various departments and branch entities.

Probity practice auditing

- The Company organizes special training on probity practices and requires that mandatory economic responsibility audit will be conducted in branch entities at least once every three years, and periodic or ad hoc audits will be conducted in the headquarters and subsidiaries to prevent probity practice risks.
- In 2024, the Company has implemented a total of 253 audit projects on economic responsibility.

Building a culture of probity

- The Company has established and improved a probity practice commitment mechanism, and carries out training and education on probity for all employees (including dispatched contractors) every year, facilitating them to familiarize with the relevant regulations on probity practice, improve their awareness of probity practices, communicate the respective requirements of probity practices to new employees or when they are deployed or promoted to new positions. New employees are required to sign the Undertakings of Employees for Probity Practice upon joining the Company, and all of the employees are required to sign the Undertakings of Employees for Probity Practice every year. In 2024, the Company incorporated provisions related to financial discipline into the Undertakings of Employees for Probity Practice and were signed by all employees.
- The relevant requirements of probity practice are incorporated into the *Employee Compliance Handbook* to clarify that employees are not allowed to act in violation of the requirements of probity practice in daily performance.
- In 2024, the Company organized training courses such as *Education on Awareness of Penalty Cases of Illegal Dealings in Shares by Securities Practitioners*, *Penalty Cases of Crimes on Bribery and Illegal Dealings in Shares by Securities Practitioners* and *Education and Training on Awareness of Probity and Integrity Practices of the Company 2024*. The director of compliance presented a special counselling report on *Introduction to the Regulatory Landscape of the Securities Industry and Analysis of Typical Cases* at the (expanded) learning conference of the Party Committee Central Group.

Table 8-11 Anti-Bribery and Anti-Corruption Indicators

Indicators	Unit	2022	2023	2024
Number of concluded legal cases regarding corrupt practices brought against the Group and its employees	case	1 ¹	0	0
Number of training sessions related to anti-bribery and anti-corruption	session	33	37	16
Number of employees participating in anti-bribery and anti-corruption trainings	person	10,969	13,173	11,068
Number of employees participating in anti-bribery and anti-corruption trainings as a percentage of total employees	%	75.69	87.32	76.21
Hours of anti-bribery and anti-corruption training received per employee	hours	20.54	9.53	4.21
Number of management personnel involved in anti-bribery and anti-corruption	person	--	--	321
Proportion of management personnel involved in anti-bribery and anti-corruption as a percentage of the total number of management personnel	%	--	--	42.35
Number of directors participating in anti-bribery and anti-corruption trainings	person	17	17	16
Number of directors participating in anti-bribery and anti-corruption trainings as a percentage of total directors	%	100	100	100
Total hours of anti-bribery and anti-corruption training received by all Directors	hour	17	17 ²	16

Note 1: In 2022, there was one corruption lawsuit against the Company's employees. The Company actively cooperated with the judicial authorities in conducting the relevant investigation. The case was concluded in October 2022 and the defendant was convicted. The Company conducted a special audit on service procurement activities after the incident and conducted studies and arranged rectification work according to the audit findings, including revising and improving the procurement-related system, establishing a procurement management system with clear powers and responsibilities, complete internal control and effective supervision. The governance capability in the area of procurement was improved significantly improved and focused on preventing risks related to probity practice.

Note 2: The numeric value of the relevant data has been corrected.

8.6.2 Anti-unfair Competition

Guotai Junan strictly complies with laws and regulations including the *Anti-Monopoly Law of the People's Republic of China*, the *Anti-unfair Competition Law of the People's Republic of China*, the *Measures for the Supervision and Administration of the Integrity of the Securities and Futures Markets*, the *Code of Integrity for the Securities Industry*, and the *Code of Integrity for the Securities Industry issued by the Securities Association of China*. In accordance with the principles of "voluntariness, equality, fairness and good faith", the *Guotai Junan Securities Co., Ltd. Integrity Practice Rules* have been formulated to establish an organizational structure of supervision and management overseeing the Board of Directors, Supervisory Committee, senior management personnel and all entity units, requiring each unit of the Company and all employees to comply with fair competition rules on a self-awareness basis, establishing effective unfair competition risk control and management mechanism with a full process of pre-event risk prevention, in-process control, and post-event accountability. In order to strengthen the awareness of anti-unfair competition management, the Company provided fair competition advocacy and training for all employees, organized various units to carry out fair competition self-inspection, fully implemented anti-unfair competition management, and maintained the normal competition order of the industry. The Company has never been punished for anti-unfair competition, nor encountered any lawsuits or complaints.

Table 8-12 Management System for Anti-unfair Competition

Major Initiatives	Specific Actions
Anti-unfair competition organizational structure	<ul style="list-style-type: none"> The Board of Directors determines the management objectives of anti-unfair competition and is responsible for the effectiveness of anti-unfair competition management. The Supervisory Committee shall supervise the performance of anti-unfair competition management duties by Directors and senior management. The key responsible person of the Company is the principal responsible person for the implementation of anti-unfair competition management duties and responsibilities, other senior executives are responsible for the implementation of anti-unfair competition management objectives within the scope of their respective duties. Each unit of the Company is responsible for the specific implementation of the anti-unfair competition management objectives within its own unit.
Incorporate anti-unfair competition into human resources management	<ul style="list-style-type: none"> The Company has incorporated the implementation of anti-unfair competition for employees into the human resources management system, and has established a consideration mechanism linked to the implementation of anti-unfair competition from the aspects of employment, employee registration, follow-up management, promotion, advancement, resignation, to appraisal, inspection and audit and other aspects for reinforcing incentives and restraints of employees.
Strengthening publicity and education on anti-unfair competition	<ul style="list-style-type: none"> The Company strengthened the building of anti-unfair competition culture, all employees were urged to study and master the relevant provisions of anti-unfair competition, and the awareness and philosophy of fair competition were enhanced among employees.
Strengthening supervision and inspection of anti-unfair competition	<ul style="list-style-type: none"> The Company regularly organized internal inspections related to anti-unfair competition and supervised the rectification of problems identified.
Fair competition is taken as the basic obligation of each unit and all employees of the Company	<ul style="list-style-type: none"> Respect peers, compete fairly, prohibit commercial bribery, consciously maintain the order of market competition, and resolutely oppose unfair competition. Not to solicit business using illegitimate means such as vicious price reduction, payment of kickbacks, false publicity, or disparaging or slandering other institutions. Not to make inappropriate comments, demean or slander other peers, or damage the reputation and interests of peers.

Table 8-13 Anti-unfair Competition Indicators

Indicators	Unit	2022	2023	2024
Number of lawsuits or significant administrative penalties resulting from unfair competition practices of the Company	case	0	0	0
Amount involved in litigation or major administrative punishment due to unfair competition behavior of the Company	RMB10,000	0	0	0

Note: The statistical coverage of anti-unfair competition indicators is Guotai Junan Securities.



8.7 Data Governance

With the deepening of digital transformation in financial enterprises, good data governance is the prerequisite and foundation for unlocking the value of data elements and promoting the development of financial business. Guotai Junan continued to improve the top-level design of data governance, improved the organizational assurance system for data governance, and continuously strengthened the Company's data governance capabilities, so as to give full play to the essential value of data assets and empower high-quality development of the Company. The Company has formulated a number of systems, including the *Data Management Regulations*, *Administrative Measures for Data Governance Work*, *Measures for Data Asset Management*, *Implementation Rules for Data Asset Management*, *Implementation Rules for Data Standard Management*, *Implementation Rules for Data Quality Management*, *Implementation Rules for Data Model Management*, *Implementation Rules for Metadata Management*, *Implementation Rules for Data Security Management*, *Implementation Rules for Data Base Management* and *Data Standards for Group Performance Management System and Measures for User Rights Management*, and their revisions were completed in early 2025.

The Company has fully implemented the requirements for the establishment of a corporate-level data governance organizational system as set out in the *Data Governance Plan for the Securities and Futures Industry during the 14th Five-Year Plan Period*. The Company has established a data governance leading team, a data governance working group and a data governance specialist, a three-tier management structure has been set up for data governance comprising the decision-making level, management level and execution level.

Table 8-14 Data Governance Management Structure

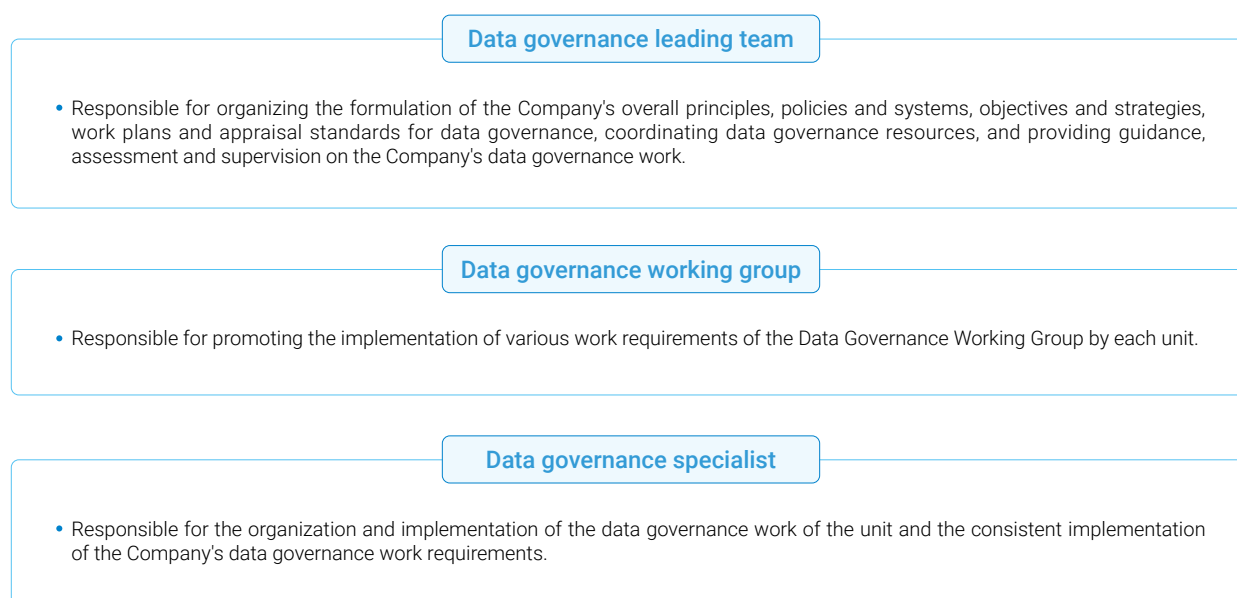


Table 8-15 Major Initiatives of Data Governance in 2024

Establishment of master data system of customers

- An operation system for master data of customers with pre-event registration, in-process management and post-event analysis was realized.
- Relying on the OneID master data system of customers, the OneID-BID product and service catalogue tree is created to complete the arrangement of the Company's existing products and services and business categories in detail.
- As the foundation for joint establishment, sharing and joint usage of three customer service systems of the Company, it supports important initiatives such as the calculation and coordination of the comprehensive value of the Company's customer base and the systematic and comprehensive revenue measurement of investment consultancy.

Establishment of enterprise database

- Self-controllability: Based on the open source of self-developed pool and integrated platform, the core storage components are self-controllable and a query engine is built to provide external services.
- Complete access: Further promoting the establishment of database in vertical depth, the physical aggregation of data of key businesses and management positions of the Group is achieved.
- Hierarchical authorization: Under the guidance of the data classification and grading standards, we fully implement the hierarchical protection work, label highly sensitive data, and implement the authorization requirements for data processors.
- Ensuring security: The data protection measures represented by "high-density area" and "two keys" are promoted, the implementation of risk assessment and rectification are effectively implemented.

Management of cockpit construction

- Cockpit Renovation: The Group completed the revision of the cockpit, and launched a total of 102 pages and 3,265 indicators, covering all business units, subsidiaries and branches of the headquarters.
- Construction of real-time indicators: The construction of 101 real-time indicators were completed, improving the computing capability of the indicator system, achieved a calculation rate of 85.67%, designed with multi-dimensional analysis and promoted decision-making support.
- Establishment of data standards: Multiple departments jointly developed and issued the *Data Standards of Guotai Junan: Standards of Key Operating Data Indicators and Definitions of Information Items*.

Data security and personal information protection construction

- The Company continued to build the capability of a data security access management platform, actively conducted risk assessment and capability certification, and was the first company in the industry to obtain Level 3 assessment certification of the Data Security Maturity Model (DSMM).
- The Company actively promoted the establishment of regulations and systems on personal information protection, issued the *Administrative Measures on Personal Information Protection* and the *Implementation Rules for the Management of Impact Assessment of Personal Information Protection*, conducted impact assessment of targeted personal information protection (PIA), with multi-level training and publicity activities.

09 REPORT INDEX

Table 9-1 Index Table of Shanghai Stock Exchange Guidelines No. 1 for Self-Regulatory Supervision of Listed Companies - Standardized Operation of Shanghai Stock Exchange

Disclosure Requirements Clause No.	Report Corresponding Sections
8.1	6 Environmental Issues; 7 Social Issues
8.2	7.5 Product and Service Quality; 8.5 Compliance Management; 8.6 Business Ethics
8.3	4 ESG Management System
8.4	3.4 Overview of Sustainable Development Performance
8.5	2 About This Report
8.6	6 Environmental Issues; 7.1 Social Contribution; 7.5 Product and Service Quality; 7.8 Human Capital Development
8.7	7.8 Human Capital Development; 8.1 Corporate Governance
8.8	6 Environmental Topics
8.9	6 Environmental Topics
8.10	6.1 Climate Response
8.11	6 Environmental Issues
8.12	N/A
8.13	7.5 Product and Service Quality; 7.7 Data Security and Customer Privacy Protection; 7.8 Human Capital Development
8.14	7.8 Human Capital Development
8.15	7.3 Innovation driving

Table 9-2 Index Table of Shanghai Stock Exchange Guidelines No. 14 for Self-Regulatory Supervision of Listed Companies - Sustainability Reporting (for Trial Implementation)

Disclosure Requirement	Report Corresponding Sections
Climate Response	6.1 Climate Response
Pollutant Emissions	6.5 Pollutant Emissions
Waste Treatment	6.4 Waste Treatment
Ecosystem and Biodiversity Protection	7.1.3 Serving Ecological Protection
Environmental Compliance Management	6 Environmental Issues
Energy Utilization	6.2 Energy Utilization
Water Utilization	6.3 Water Resources Utilization

Disclosure Requirement	Report Corresponding Sections
Circular Economy	6.4 Waste Treatment
Rural Revitalization	7.2 Rural Revitalization
Social Contribution	7.1 Social Contribution
Innovation Driving	7.3 Innovation Driving
Technological Ethics	7.3 Innovation Driving
Supply Chain Security	7.4 Sustainable Supply Chain
Equal Treatment of Small and Medium-sized Enterprises	As a financial enterprise, the balance of accounts payable (including bills payable) of the company mainly consists of customer deposits and other payments, not payments due to suppliers, and the balance of overdue unpaid payments is 0
Product and Service Safety and Quality	7.5 Product and Service Quality
Data Security and Customer Privacy Protection	7.7 Data Security and Customer Privacy Protection
Employees	7.8 Human Capital Development
Due Diligence Investigations	3.3 Material Issues Analysis
Stakeholder Engagement	3.2 Stakeholder Engagement
Anti-commercial Bribery and Anti-Corruption	8.6 Business Ethics
Anti-unfair Competition	8.6 Business Ethics
Self-disclosure Topics	Report Corresponding Sections
Serving the Real Economy	5.1 Serving the Real Economy
Carbon Finance	5.2 Carbon Finance
Sustainable Investment	5.3 Sustainable Investment
Sustainable Financing	5.4 Sustainable Financing
Investor Education	7.6 Investor Education
Corporate Governance	8.1 Corporate Governance
Party Building	8.2 Party Building
Cultural Construction	8.3 Cultural Construction
Risk Management	8.4 Risk Management
Compliance Management	8.5 Compliance Management

Table 9-3 Index Table of Appendix C2 - *Environmental, Social and Governance Reporting Guide of Hong Kong Stock Exchange*

Part B: Mandatory Disclosure Requirements	
Mandatory Disclosure	Report Corresponding Sections
Governance structure	4 ESG Management System
Reporting principle	2 About This Report
Reporting scope	2 About This Report
Part C: "Comply or Explain" Provisions	
Aspects, General Disclosures and KPIs	Report Corresponding Sections
Main Category A. Environmental	
Aspect A1. Emissions	
General Disclosures A1	6.1 Climate Response; 6.4 Waste Treatment; 6.5 Pollutant Emissions
KPI A1.1	6.1 Climate Response; 6.4 Waste Treatment; 6.5 Pollutant Emissions
KPI A1.2	6.1 Climate Response
KPI A1.3	6.4 Waste Treatment
KPI A1.4	6.4 Waste Treatment
KPI A1.5	6.1 Responding to Climate Change; 6.4 Waste Treatment; 6.5 Pollutant Emissions
KPI A1.6	6.4 Waste Treatment
Aspect A2. Use of Resources	
General Disclosures A2	6.2 Energy Utilization; 6.3 Water Resources Utilization
KPI A2.1	6.2 Energy Utilization
KPI A2.2	6.3 Water Resources Utilization
KPI A2.3	6.2 Energy Utilization
KPI A2.4	6.3 Water Resources Utilization
KPI A2.5	The Company's products are financial products only, so this indicator is not applicable
Aspect A3. The Environment and Natural Resources	
General Disclosures A3	6.2 Energy Utilization; 6.3 Water Resources Utilization
KPI A3.1	6.2 Energy Utilization; 6.3 Water Resources Utilization
Aspect A4. Climate Change	
General Disclosures A4	6.1 Climate Response
KPI A4.1	6.1 Climate Response

Main Category B. Social Employment and Labor Practice	
Aspect B1. Employment	
General Disclosures B1	7.8 Human Capital Development
KPI B1.1	7.8 Human Capital Development
KPI B1.2	7.8 Human Capital Development
Aspect B2. Health and Safety	
General Disclosures B2	7.8 Human Capital Development
KPI B2.1	7.8 Human Capital Development
KPI B2.2	7.8 Human Capital Development
KPI B2.3	7.8 Human Capital Development
Aspect B3. Development and Training	
General Disclosures B3	7.8 Human Capital Development
KPI B3.1	7.8 Human Capital Development
KPI B3.2	7.8 Human Capital Development
Aspect B4. Labor Standard	
General Disclosures B4	7.8 Human Capital Development
KPI B4.1	7.8 Human Capital Development
KPI B4.2	7.8 Human Capital Development
Main Category B. Social Operation Practice	
Aspect B5. Supply Chain Management	
General Disclosures B5	7.4 Sustainable Supply Chain
KPI B5.1	7.4 Sustainable Supply Chain
KPI B5.2	7.4 Sustainable Supply Chain
KPI B5.3	7.4 Sustainable Supply Chain
KPI B5.4	7.4 Sustainable Supply Chain
Aspect B6. Product Responsibility	
General Disclosures B6	7.5 Product and Service Quality
KPI B6.1	The Company's products are financial products only, so product recycling is not involved
KPI B6.2	7.5 Product and Service Quality

KPI B6.3	8.5.4 Intellectual Property Right Protection
KPI B6.4	The Company's products are financial products only, so product recycling is not involved
KPI B6.5	7.7 Data Security and Customer Privacy Protection
Aspect B7. Anti-corruption	
General Disclosures B7	8.6 Business Ethics
KPI B7.1	8.6.1 Anti-bribery and Anti-corruption
KPI B7.2	8.6 Business Ethics
KPI B7.3	8.6 Business Ethics
Aspect B8. Community Investment	
General Disclosures B8	7.1 Social Contribution
KPI B8.1	7.1 Social Contribution
KPI B8.2	7.1 Social Contribution

Table 9-4 Index Table of ESG Indicator System for Shanghai State-controlled Listed Companies (Version 1.0) of Shanghai SASAC

Disclosure Requirement		Report Corresponding Sections
E1 Environmental Management	E1.1	6.1 Climate Response; 6.2 Energy Utilization; 6.3 Water Resources Utilization; 6.4 Waste Treatment; 6.5 Pollutant Emissions
	E1.2	N/A
	E1.3	5 Sustainable Finance
	E1.4	6.2 Energy Utilization; 6.4 Waste Treatment; 6.5 Pollutant Emissions
	E1.5	6.1 Climate Response
E2 Energy	E2.1	6.2 Energy Utilization
	E2.2	6.2 Energy Utilization
	E2.3	Not involved in trading of green power and green certificate, and will subsequently develop relevant plans
	E2.4	6.2 Energy Utilization
E3 Resources	E3.1	6.2 Energy Utilization; 6.3 Water Resources Utilization
	E3.2	6.3 Water Utilization
	E3.3	6.3 Water Utilization
	E3.4	6.3 Water Utilization
	E3.5	N/A

Disclosure Requirement		Report Corresponding Sections
E4 Pollutants	E4.1	6.5 Pollutant Emissions
	E4.2	6.5 Pollutant Emissions
	E4.3	As a financial enterprise, the company utilizes municipal water supply and sewage treatment systems
	E4.4	As a financial enterprise, the company utilizes municipal water supply and sewage treatment systems
	E4.5	N/A
	E4.6	N/A
	E4.7	N/A
	E4.8	6.4 Waste Treatment
	E4.9	6.4 Waste Treatment
	E4.10	6.4 Waste Treatment
	E4.11	6.4 Waste Treatment
	E4.12	N/A
E5 Climate Change	E5.1	6.1 Climate Response
	E5.2	5 Sustainable Finance; 6.1 Climate Response
	E5.3	6.1 Climate Response
	E5.4	6.1 Climate Response
E6 Biodiversity	E6.1	4.2 ESG Strategic Planning; 7.1 Social Contribution; 8.4 Risk Management
	E6.2	7.1.3 Serving Ecological Protection
S1 Products and Service	S1.1	7.5 Product and Service Quality
	S1.2	7.7 Data Security and Customer Privacy Protection
	S1.3	7.3 Innovation Driving
	S1.4	8.5.4 Intellectual Property Right Protection
	S1.5	7.7 Data Security and Customer Privacy Protection
	S1.6	7.5 Product and Service Quality
	S1.7	7.5 Product and Service Quality
	S1.8	7.5 Product and Service Quality
	S1.9	7.5 Product and Service Quality
S2 Employee Responsibility	S2.1	7.8 Human Capital Development
	S2.2	7.8 Human Capital Development

Disclosure Requirement		Report Corresponding Sections
S2 Employee Responsibility	S2.3	7.8 Human Capital Development
	S2.4	7.8 Human Capital Development
	S2.5	7.8 Human Capital Development
	S2.6	7.8 Human Capital Development
	S2.7	7.8 Human Capital Development
	S2.8	As a financial enterprise, the company continues to do a good job in employee health and safety management, and plans to carry out occupational health and safety management system certification in the future
	S2.9	7.8 Human Capital Development
	S2.10	As a financial enterprise, the company continues to do a good job in safety production, prioritizes the guarantee of safety production investment, and plans to carry out statistics on the amount of safety production investment in the future
	S2.11	7.8 Human Capital Development
	S2.12	7.8 Human Capital Development
	S2.13	7.8 Human Capital Development
	S2.14	7.8 Human Capital Development
	S2.15	7.8 Human Capital Development
	S2.16	7.8 Human Capital Development
S3 Supply Chain Responsibility	S3.1	7.4 Sustainable Supply Chain
	S3.2	7.4 Sustainable Supply Chain
S4 Community Responsibility	S4.1	7.1 Social Contribution
	S4.2	7.1 Social Contribution
	S4.3	7.1 Social Contribution
S5 Corporate Responsibility	S5.1	5 Sustainable Finance; 7.2 Rural Revitalization
	S5.2	5 Sustainable Finance
	S5.3	7.7 Data Security and Customer Privacy Protection
	S5.4	7.1 Social Contribution
	S5.5	8.5.3 Tax Management
G1 Corporate Governance	G1.1	8.2 Party Building
	G1.2	8.1 Corporate Governance
	G1.3	8.1 Corporate Governance
	G1.4	8.5 Compliance Management

Disclosure Requirement		Report Corresponding Sections
G1 Corporate Governance	G1.5	8.4 Risk Management
	G1.6	8.5.5 Audit Supervision
	G1.7	8.6 Business Ethics
	G1.8	8.6 Business Ethics
G2 ESG Governance	G2.1	1 Sustainable Development Statement of the Board
	G2.2	4 ESG Management System
	G2.3	4 ESG Management System
	G2.4	3 Sustainable Development Overview
	G2.5	3 Sustainable Development Overview
	G2.6	4 ESG Management System
	G2.7	3 Sustainable Development Overview
	G2.8	8.1 Corporate Governance
	G2.9	5 Sustainable Finance
G3 Data Governance	G3.1	8.7 Data Governance
	G3.2	8.7 Data Governance
	G3.3	8.7 Data Governance

