



## **2025 Sustainability & Environmental, Social and Governance (ESG) Report**

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CSC Financial Co., Ltd.

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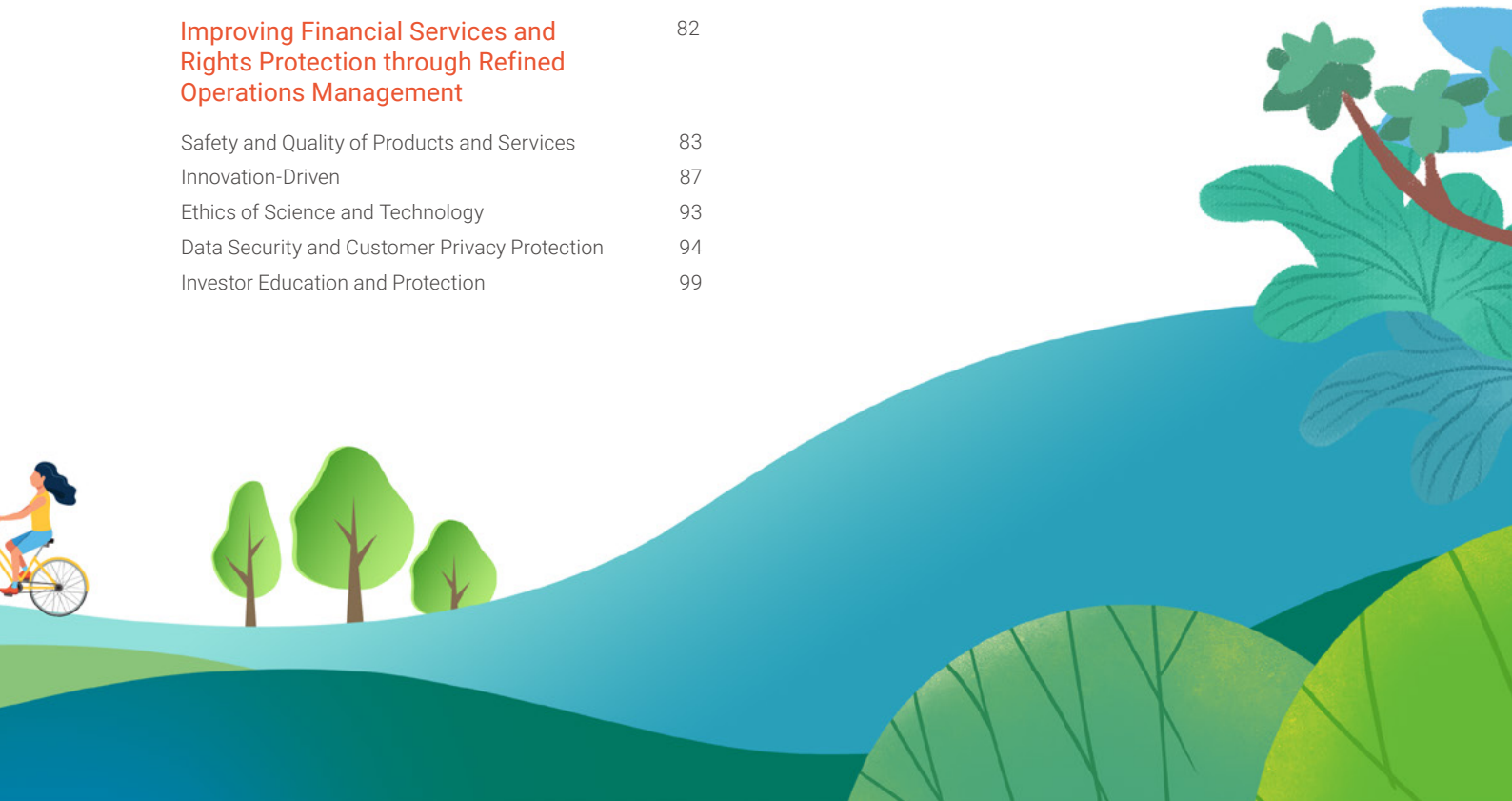


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# About This Report

This report is CSC Financial Co., Ltd. (CSC)'s second Sustainability Report and its tenth Environmental, Social and Governance (ESG) related information report (including six social responsibility reports released from 2018 to 2023). The report aims to disclose the Company's specific measures, key practices, highlight cases, and key performance in the management of material sustainable development and ESG issues in 2025 to the various stakeholders. This report was reviewed and approved by the Board on March 26, 2026.

## Reporting Scope

Reporting entities: CSC Financial Co., Ltd. and its subsidiaries, consistent with the scope of the Company's consolidated financial statements.

Reporting period: 1 January 2025, to 31 December 2025

Reporting cycle: This report is an annual report. The previous report was published in March 2025.

## Reporting Guidelines

This report is prepared in accordance with the *Index of Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)*, *Guide No.4 for Self-Regulatory Supervision on Listed Companies of the SSE—Compilation of Sustainable Development Reports (January 2026 Revision)*, and the HKEX Main Board Listing Rules Appendix C2 *Environmental, Social and Governance Reporting Code*, while referencing the *Guidelines No. 1 for Self-regulation of Listed Companies—Standardized Operation*, the *CSRC Guidelines on the Content and Format of Information Disclosure by Companies Issuing Public Securities No. 2: Content and Format of Annual Reports (Revised in March 2025)*, the *CAPCO Guidelines for Sustainability Work of Chinese Listed Companies*, and the *GSSB GRI Sustainability Reporting Standards (GRI Standards)*. The relevant content index is provided in the index table at the end of this report.

## Content and Data

The content and data disclosed in this report are primarily derived from the original records or official reports of CSC Financial Co., Ltd. and its subsidiaries. The financial data in this report are in Chinese yuan (RMB) unless otherwise specified. In case of any discrepancies, the financial report shall prevail.

## Reporting Principles

This report has been prepared following the reporting principles outlined in the *Index of Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)* and *HKEX Environmental, Social and Governance Reporting Code*. The specific application of the principles is as follows:

**Materiality:** We identify the material topics related to operations that are of concern to various stakeholders as the key focus of this report. While reporting on the material topics in this report, we also focus on the characteristics of the industry in which we operate and our business operations. For details of the process and results of the topic materiality analysis, please refer to 'Materiality Assessment of Issues' in the 'ESG Strategy and Management' section of this report.

**Accuracy:** This report endeavours to ensure the accuracy of the information provided. The measurement results of quantitative information are presented with explanations of data definitions, calculation bases, and assumptions to ensure that calculation errors will not mislead information users. Quantitative information and notes are detailed in the 'ESG Data Tables and Notes' section of this report. The Board guarantees the content of this report and confirms that there are no false records, misleading statements, or significant omissions.

**Balance:** The content of this report reflects objective and truthful facts, and impartially discloses both positive and negative information related to the Company. During the reporting period, there were no negative events that should have been disclosed but were not disclosed.

**Clarity:** This report is published in Simplified Chinese, Traditional Chinese, and English versions. It contains tables, diagrammatic figures, a glossary of proprietary terms, etc., as a supplement to facilitate a better understanding by stakeholders. To facilitate stakeholders in accessing relevant information more quickly, this report provides a catalogue and a benchmarking index table of ESG-related standards.

**Quantification:** This report discloses key quantitative items. For details, please refer to the 'ESG Data Tables and Notes' section.

**Comparability:** This report maintains consistency in the statistical methods and disclosure approach for the same quantitative items across different reporting periods. If there are changes in data collection, measurement, and calculation methods, the relevant data will be restated and the adjustments, along with the reasons, will be explained in the report's notes, so that stakeholders can conduct meaningful analysis and assess the development trend of the Company's ESG data.

**Integrity:** The reporting entities covered by this report include CSC Financial Co., Ltd. and its subsidiaries, consistent with the scope of the Company's consolidated financial statements.

**Timeliness:** This is an annual report covering the period from 1 January 2025 to 31 December 2025. Unless otherwise specified, the data in this report are all data within this timeframe. The Company publishes this report after the end of the reporting year to provide timely information for decision-making by stakeholders.

**Verifiability:** The cases and data in this report come from the original records or financial reports of the Company's actual operations. The Company uses the HiESG corporate ESG performance management system to manage ESG data to ensure that the sources and calculation process of the disclosed data are traceable.

## Report Version and Access

**Report Version:** This report is available in Simplified Chinese, Traditional Chinese, and English. In case of any discrepancies, the Simplified Chinese version shall prevail.

**Report Access:** This report is available in PDF format on the following websites:

- Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn))
- Hong Kong Exchanges and Clearing Limited market website ([www.hkexnews.hk](http://www.hkexnews.hk))
- Company website ([www.csc108.com](http://www.csc108.com))

## Reader Feedback

If you have any comments or suggestions regarding the content of this report or the Company's performance in social responsibility and ESG issue management, please feel free to provide them through the following channels:

- Phone: 010-56052830
- Email: [601066@csc.com.cn](mailto:601066@csc.com.cn)

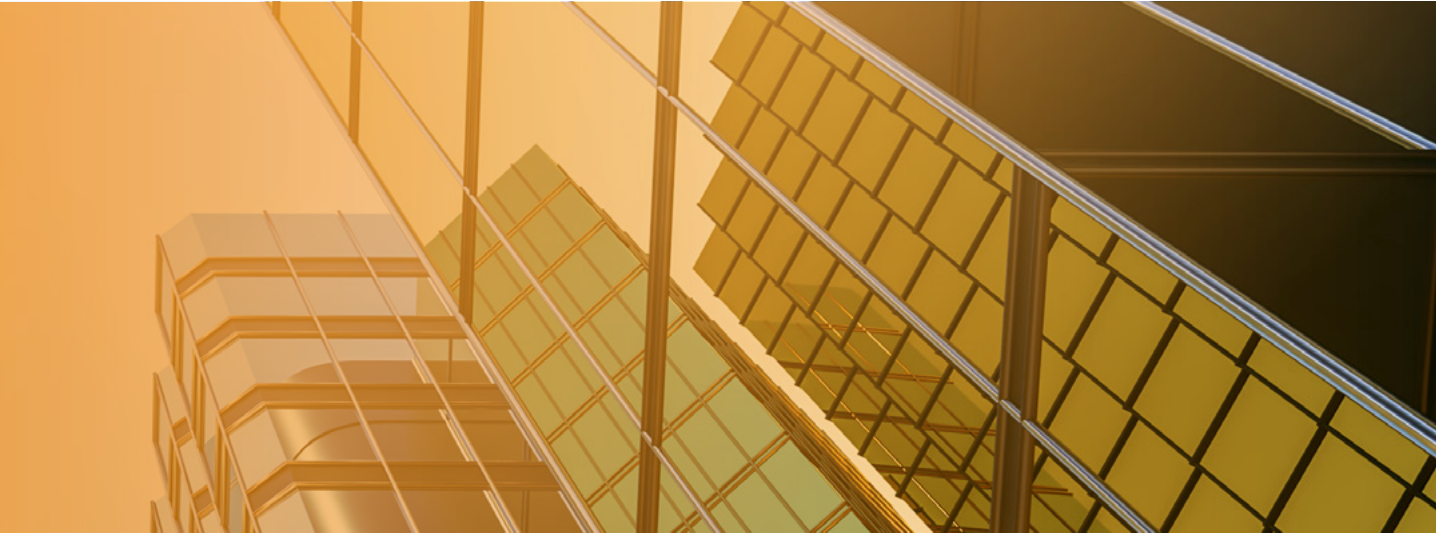
# ESG Management Statement from the Board

The Board of CSC Financial Co., Ltd. adheres to the regulatory requirements of the SSE Self-Regulatory Guidelines for Listed Companies No. 14—Sustainability Reporting (Trial) and the HKEX Environmental, Social and Governance Reporting Code, and has comprehensively strengthened the Board's oversight of ESG matters. The Board integrates ESG principles and key issues into the Company's development strategy and operational management processes, and promotes the implementation of ESG practices through concrete actions. Centered on the goal of building a first-class investment bank, the Company continues to consolidate a solid foundation for high-quality development and is committed to creating long-term sustainable shared value for shareholders, the economy, society and the environment.

**Governance first, strengthening the ESG foundation:** We continued to improve our top-down ESG governance structure, with the Board providing comprehensive oversight and ultimately assuming responsibility for ESG matters. The Board's Development Strategy Committee fulfills its ESG management responsibilities by conducting ESG-related research, providing decision-making advisory recommendations, and urging the Company to strengthen communication with stakeholders on important ESG issues. An ESG Committee established under the Executive Committee incorporates ESG factors into corporate governance, business strategy and risk management, and coordinates various departments, branches and subsidiaries to implement ESG requirements and advance sustainable development practices. We have incorporated ESG-related indicators into the performance evaluation system for management and employees, explicitly including key indicators such as compliance, risk control and integrity in practice, thereby strengthening the incentive and restraint mechanisms for ESG work and promoting the formation of a company-wide synergy in advancing ESG initiatives.

In terms of climate change tackling, the Board, as the highest governing body for climate-related issues, continued to monitor climate-related risks and opportunities and tracked the implementation of its resolutions on climate-related issues. As the chair of the ESG Committee, the chairman of the Board guided the ESG Committee and relevant departments in carrying out climate-related work, including the development of climate-related work plans, reviewing policies and disclosure documents relating to climate risks and opportunities, and coordinating the adoption of measures to address climate change.

**Strategy-led, deepening ESG principles:** We deeply integrated ESG principles into the core strategy for our business operations and development, focusing on ESG strategic initiatives in three key areas – 'deepening leadership in green finance', 'strengthening co-creation of social value', and 'improving the modern governance system' - thereby promoting the coordinated implementation of our ESG development strategy with the Company's overall strategy. In 2025, by deepening regular communication with stakeholders and taking into account the national strategy for building China into a financial powerhouse, as well as stock exchange information disclosure requirements and key areas of focus in the international capital markets, and drawing on insights from internal and external experts, we identified 31 material issues and assessed and prioritised them based on the 'double materiality' principle. We carried out in-depth analyses of risks and opportunities and developed targeted control measures and implementation plans, effectively addressing potential risks and seizing development opportunities in areas such as green and low-carbon development and new quality productive forces.



**Goal-oriented, optimising ESG management:** Focusing on core material issues, we set quantifiable and traceable management metrics and annual targets, and continued to strengthen our ESG performance management system. In 2025, we ensured the effective implementation and tangible results of our ESG initiatives by regularly monitoring progress, conducting statistical analysis and carrying out periodic reviews. We disclosed ESG performance outcomes on an annual basis, continuously enhanced the transparency of information disclosure, and effectively responded to stakeholders' expectations and concerns.

In 2025, our sustained efforts in ESG management practice were highly recognised by leading international rating agencies. Our MSCI ESG rating was upgraded from A to AA. We were also selected for the 2025 Best Practice in Sustainability among Listed Companies by the China Association for Public Companies (CAPCO), and received the 2025 ESG Golden Bull Award for the Securities Industry from China Securities Journal and the Best ESG-Practicing Investment Bank award in the 2025 New Fortune Magazine Best Investment Banks Awards.

**Building on momentum to embark on a new journey, leading the tide toward a new chapter of excellence!** Standing at a new starting point for the beginning of the 15th Five-Year Plan period, we will continue to anchor ourselves to the strategic objective of building a first-class investment bank, enhance the quality and effectiveness of financial services through high-quality ESG management. We will focus on fostering new quality productive forces, advancing the implementation of the 'dual carbon' goals, and upgrading public well-being safeguards. With higher-quality financial services and stronger innovation momentum, we will demonstrate our commitment to serving national strategies and write a new chapter of high-quality development!

# About CSC

## ⇒ Company Profile

Founded on November 2, 2005, CSC Financial Co., Ltd. is a comprehensive securities company operating nationwide, authorised by the China Securities Regulatory Commission (CSRC). The Company is registered in Beijing, with a registered capital of RMB7,757 million and is an A + H Share listed company. The Company's major shareholders include Beijing Financial Holdings Group, Central Huijin Investment Co., Ltd., and CITIC Group Corporation Ltd., all large enterprises with ample capital resources, extensive experience in capital operations, and high public visibility.

### An Overview of CSC

<b>Company name</b>	CSC Financial Co., Ltd.
<b>English name</b>	China Securities Co., Ltd. CSC Financial Co., Ltd. (We conduct business in Hong Kong under this registered English name.)
<b>Headquarters address</b>	No. 10 Guanhua Road, Chaoyang District, Beijing, China
<b>Primary business operations</b>	<p>As lawfully registered, the business scope set out in our <i>Business Licence</i> includes: Securities business; foreign exchange settlement and sales; foreign exchange business; securities investment advisory; securities investment fund custody; sale of publicly offered securities investment funds; brokerage provided by securities companies to futures companies; sale of gold and silver products.</p> <p>The scope of securities and futures business set out in our <i>Securities and Futures Business Permit</i> includes: Securities brokerage; securities investment advisory; financial advisory services related to securities trading and investment activities; securities underwriting and sponsorship; proprietary securities trading; securities asset management; sale of publicly offered securities investment funds; margin trading and securities lending; agency sale of financial products; stock options market-making; securities investment fund custody; market-making trading of listed securities.</p>



<b>Total assets</b>	RMB 676.816 billion
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<b>Operating revenue</b>	RMB 23.322 billion (Audited A-share consolidated data, same below)
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<b>Subsidiaries</b>	China Futures Co., Ltd., China Capital Management Limited, China Securities (International) Finance Holding Company Limited, China Fund Management Co., Ltd., and China Securities Investment Limited
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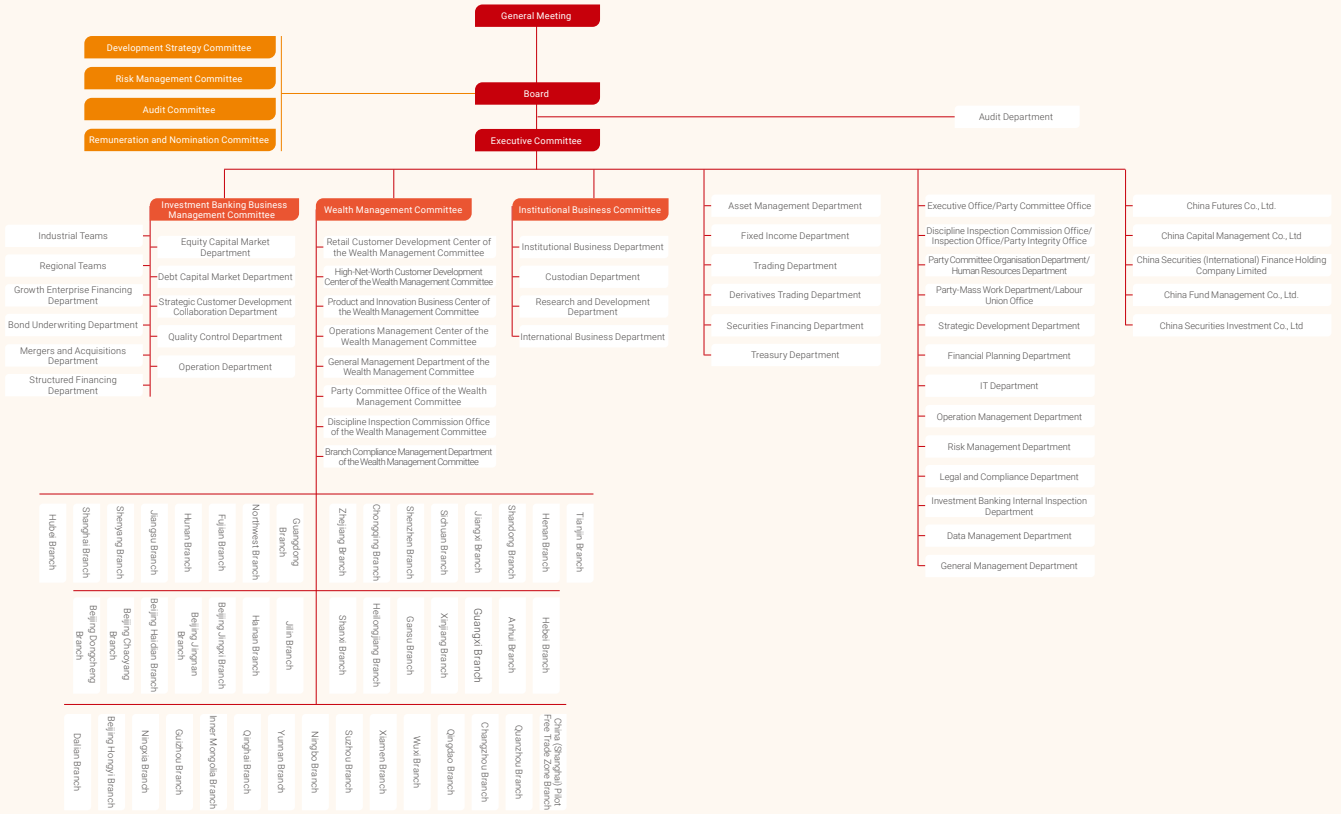
<b>Mainland branches</b>	CSC has established <b>45</b> branches, <b>272</b> securities sales departments, and <b>30</b> futures branch offices in <b>30</b> provinces, autonomous regions, and municipalities throughout Chinese mainland, forming an extensive business network system spanning the country.
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#### Details of listing

<b>A Share</b>	Listed on the Shanghai Stock Exchange on 20 June 2018 Stock abbreviation: CSC Stock code: 601066.SH
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<b>H Share</b>	Listed on the Hong Kong Stock Exchange on 9 December 2016 Stock abbreviation: CSC Stock code: 6066.HK
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## Organizational Structure



# 2025 Highlights in Sustainable Development

## Highlights in Sustainable Development

### Economic

Operating revenue (RMB 100 million) in 2025

**233.22**

Net profit attributable to shareholders of the Parent Company (RMB100 million) in 2025

**94.39**

Social contribution per share (RMB)

**3.20**



Number of equity financing transactions (nos.)

**33**

Total equity financing lead underwriting amount (RMB100 million)

**917.73**

Number of bond issues as lead underwriter (nos.)

**5,131**

Total bond lead underwriting amount (RMB100 million)

**17,334.90**

### Social

Total charitable giving (RMB10,000)

**1,273.89**

Number of rural revitalisation bond issues as lead underwriter (nos.)

**13**

Rural revitalisation bond lead underwriting amount (RMB 100 million)

**62.13**



### Environmental

GHG emissions per unit area (tCO<sub>2</sub>e/m<sup>2</sup>)

**0.055**

Green equity financing lead underwriting amount (RMB100 million)

**25.10**

Total carbon neutral bond underwriting amount (RMB100 million)

**221.90**

Electricity consumption per unit area (MWh/m<sup>2</sup>)

**0.090**

Number of green bond issues as lead underwriter (nos.)

**145**

Total capital amount raised from carbon neutral bond underwritings (RMB100 million)

**358.80**

Natural gas consumption per unit area (m<sup>3</sup>/m<sup>2</sup>)

**0.060**

Total green bond underwriting amount (RMB100 million)

**648.11**

Water consumption per unit area (tonnes/m<sup>2</sup>)

**0.30**

Total capital amount raised from green bond underwritings (RMB100 million)

**3,832.56**

Number of green equity financing projects as lead underwriter (nos.)

**5**

Number of carbon neutral bond issues as lead underwriter (nos.)

**39**



Note: The aforementioned number and amount of equity and bonds correspond to data from the mainland market.

## ESG Ratings and Awards

Ratings/honours	
MSCI ESG Ratings	 Our MSCI ESG rating was upgraded from A to AA, placing us among the leading Chinese securities firms.
S&P Corporate Sustainability Assessment (CSA)	 The Company's S&P ESG score was 34, placing us among the leading Chinese securities firms.
Wind ESG Rating	 The Company's Wind ESG rating improved from BBB to A, placing us among the leading Chinese securities firms.
S&P	 BBB+/Stable credit rating
Moody's	 BBB+/Stable credit rating
Fitch Ratings	 BBB+/Stable credit rating
People's Bank of China	 First Prize, Second Prize, and Third Prize of the 2024 Financial Technology Development Award
China Association for Public Companies (CAPCO)	<ul style="list-style-type: none"> <li> 2024 Best Practice in Investor Relations Management among Listed Companies</li> <li> 2024 Exemplary Practice in Annual Results Presentation among Listed Companies</li> <li> 2025 Best Practice in Board Office among Listed Companies</li> <li> 2025 Best Practice in Board among Listed Companies</li> <li> 2025 Best Practice in Sustainability among Listed Companies</li> </ul>
Shanghai Stock Exchange (SSE) Shenzhen Stock Exchange (SZSE) Beijing Stock Exchange (BSE) Securities Association of China (SAC)	 A rating for investor education among securities companies for four consecutive years (2022 to 2025)
Beijing Stock Exchange (BSE)	 2025 Outstanding Support Unit for Investor Service e-Station
Shanghai Stock Exchange (SSE)	 'Fight Against Financial Fraud Together' Original Video Contest – Excellence Award

Ratings/honours	
China Securities Investor Services Centre	🏆 The <i>Shareholders Are Coming</i> (2025) 'Fight Against Financial Fraud Together' Short Video Contest – Bronze Award
Shanghai Environment and Energy Exchange	🏆 2024 Shanghai Carbon Market Carbon Finance Practice Award
Hubei Carbon Emission Exchange	🏆 2024 Hubei Carbon Market Carbon Finance Innovation Award
Financial Programme Centre of China Media Group	🏆 Included in the '2025 China ESG Top 100 Pioneer State-owned Listed Companies' list
China Securities Journal	🏆 2025 Securities Firms Golden Bull Awards – ESG Golden Bull Award for the Securities Industry
New Fortune Magazine	🏆 2025 New Fortune Magazine Best Investment Banks Awards – Best Domestic Investment Bank, Best ESG-Practicing Investment Bank, Best Equity Underwriting Investment Bank, etc.
cls.cn	🏆 2025 2nd 'CLS Xingyin Cup' – Innovative On-the-Ground Investor Education Base
<i>National Business Daily</i>	🏆 2025 Golden Tripod Awards – Best Organiser of Investor Education Activities & Most Influential On-the-Ground Investor Education Base of Securities Firm
JRJ.com	🏆 2025 Golden Intelligence Award – Outstanding Investor Education Brand Building
<i>Securities Daily</i>	🏆 Most Popular Investor Education Base (China Futures)
<i>Futures Daily</i>	🏆 'Party-Building Leading Investor Education, Futures Supporting the Real Economy' Outstanding Case Collection – Best Practice in Futures Supporting Rural Revitalization (China Futures)

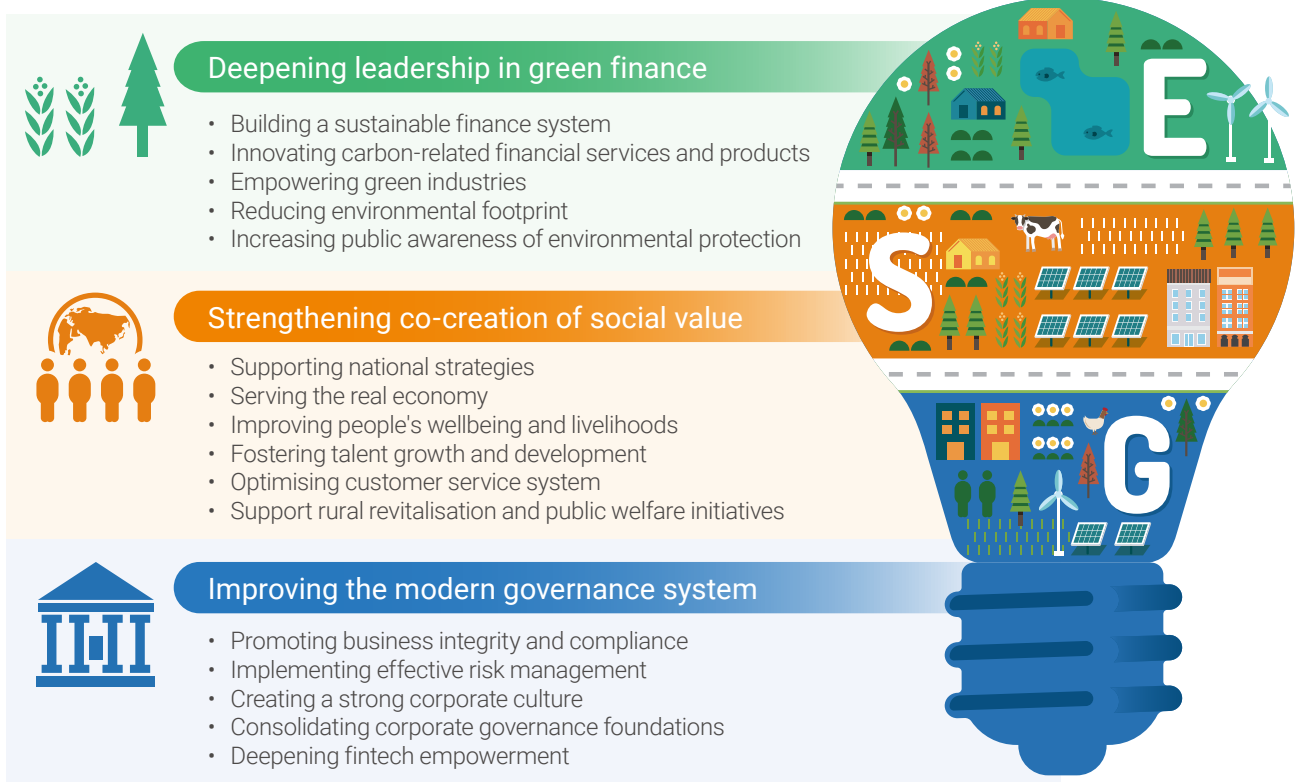
For more of the Company's awards and honours, please refer to the 'Awards and Honors Received by the Group' section of the *CSC 2025 Annual Report*.

# ESG Strategy and Management

## ↳ ESG Strategy and Vision

Anchored our efforts on developing 'Value Investment Banking', 'New-Quality Investment Banking' and 'Digital and Intelligent Investment Banking', the Company actively promotes 'Finance for Good'. By deepening leadership in green finance, enhancing the co-creation of social value, and improving the modern governance system, we support the achievement of the 'dual carbon' goals and high-quality economic and social development, aimed at building a sustainable enterprise trusted by investors, recognised by customers, proud for employees, and satisfactory to society.

### CSC's ESG Strategic Initiatives



As an important component of our ESG strategy, sustainable finance constitutes a core pathway for implementing the strategy. Focusing on key areas of supporting the real economy and green transition, we direct financial resources toward green, low-carbon and social welfare initiatives, and have established a sustainable finance framework that operates in full integration with our strategy.

### CSC's Sustainable Finance Framework

Sustainable finance goals	Serving the real economy, promoting green development, and improving people's well-being
ESG capability building	ESG risk management, ESG research and consulting
Business integration	Investment banking, asset management, wealth management, fixed income, research services, international business
Industry focuses	<p><b>Green and low-carbon:</b> Energy conservation and environmental protection industry, cleaner production industry, clean energy industry, ecological environment industry, green infrastructure, green services</p> <p><b>Social welfare:</b> Municipal services, affordable housing construction, healthcare industry, culture and education industry, agriculture and food industry, rural revitalisation and assistance</p>



## ↳ Materiality Assessment of Issues

### Material Issue Analysis Methods

Conducting material issue analysis is a core task in advancing sustainability management and enhancing our ESG governance, as well as a key starting point for systematically responding to stakeholder expectations and strengthening the transparency of information disclosure. CSC optimises its methodological framework on an ongoing basis by taking into account industry development trends and its development strategy, and by referencing the latest requirements from domestic and international sustainability and ESG reporting standards. We apply a combination of policy analysis, industry benchmarking, expert judgment, and survey research to identify, assess, prioritise, and report on material ESG issues.

In 2025, based on the characteristics of the financial sector and our own development strategy, we incorporated stakeholder survey into the material issue assessment. We identified ESG issues and their impacts, risks, and opportunities, and conducted questionnaire surveys among stakeholders including customers, investors, regulatory authorities, and employees, to extensively collect stakeholders' identification and judgement regarding the materiality of each issue. In conjunction with expert opinions, we assessed the issues from financial materiality and impact materiality perspectives.

### CSC 2025 Double Materiality Assessment Process

Process		Description
 <p><b>Step 1</b> Understand the Company's sustainability background</p>	Understand the Company's business activities and business relationships	<ul style="list-style-type: none"> <li>• Taking into account factors such as the types of the Company's activities, geographical location, employee profile, products, services and markets, business relationships, and industry characteristics, we analysed the Company's business activities and business relationships.               <ul style="list-style-type: none"> <li>▶ In the upstream of the value chain, we mainly relied on services provided by technology suppliers and data and information providers.</li> <li>▶ In the midstream of the value chain, we provided customers with comprehensive financial services through multiple business segments.</li> <li>▶ In the downstream of the value chain, our service recipients mainly included individual investors, corporate customers, institutional investors, government and public utility customers, and international customers.</li> </ul> </li> </ul>
	Understand the external objective environment	<ul style="list-style-type: none"> <li>• Starting from factors such as corporate laws and regulations, regulatory policies, public documents, etc., we analysed the Company's external objective environment, including macro policies, industry norms, and market hot topics, and identifies factors that might affect the Company.</li> </ul>
	Identify the key stakeholders affected	<ul style="list-style-type: none"> <li>• Starting from elements such as affected stakeholders, value chain segments that impact stakeholders, and stakeholder communication mechanisms, methods, and frequency, we identified and reviewed the key stakeholders affected by the Company.</li> </ul>
 <p><b>Step 2</b> Create an issue list and identify sustainability-related impacts, risks, and opportunities</p>	Create an issue list	<ul style="list-style-type: none"> <li>• Based on the <i>SSE Guidelines</i> and the <i>Environmental, Social and Governance Reporting Code</i>, we referred to sustainability disclosure standards featuring industry issues and created an issue list in light of industry characteristics, business model and value chain position, and through policy analysis and peer benchmarking.</li> </ul>
	Identify sustainability-related impacts, risks, and opportunities with potential materiality	<ul style="list-style-type: none"> <li>• We systematically identified significant impacts that might arise from our operational activities and upstream and downstream value chain, and used actual or potential, positive or negative impacts as the identification results to clarify the nature of the impacts.</li> </ul>

Process		Description
 <p><b>Step 3</b> Assess and confirm issue materiality</p>	Assess impact materiality	<p>By systematically analysing the Company's impacts on the economy, society and the environment, we provided key sustainability information for assessing the externalities of our business activities.</p> <ul style="list-style-type: none"> <li>• A total of 2,287 impact materiality questionnaires were collected, with stakeholders including employees, shareholders and investors, suppliers and partners, and the government and regulators.</li> <li>• Taking into account factors such as the likelihood of impacts occurring and their extent (including scale, scope and irreparability), a comprehensive calculation method was adopted to derive the impact materiality score for each issue. Based on internal and external expert opinions, issues with scores above the set threshold were identified as having impact materiality.</li> </ul>
	Assess financial materiality	<p>We analysed sustainability-related risks and opportunities, and determined the environmental, social, or governance factors that might have a negative or positive impact on the Company's business model, strategy, objectives, and value creation capabilities in the short, medium, and long term. A total of 207 financial materiality questionnaires were collected, with stakeholders including directors and the Company's senior managers, financial department personnel, members of the ESG Working Group.</p> <ul style="list-style-type: none"> <li>• A total of 207 financial materiality questionnaires were collected, with stakeholders including directors and the Company's senior managers, financial department personnel, members of the ESG Working Group.</li> <li>• Taking into account the likelihood of impact occurring and its extent for each issue in the short, medium, and long term, a comprehensive calculation method was adopted to derive the financial materiality score for each issue. Based on internal and external expert opinions, issues with scores above the set threshold were identified as having financial materiality.</li> </ul>
	Integrate the assessment results of impact materiality and financial materiality	<ul style="list-style-type: none"> <li>• We calculated and consolidated the assessment results of financial materiality and impact materiality, and, in combination with the opinions of internal and external experts, developed a double materiality matrix.</li> </ul>
 <p><b>Step 4</b> Manage and report issues</p>		<ul style="list-style-type: none"> <li>• Through double materiality analysis, the Company identified short-, medium-, and long-term risks and opportunities, which serve as a basis for decision-making on our operational development and strategy formulation, further strengthening the foundations of corporate governance.</li> <li>• After being reviewed and confirmed by the Company's Board and Development Strategy Committee, high-materiality issues for 2025 were disclosed in the report.</li> </ul>



## Issue List

In 2025, we strictly adjusted the naming consistency of the issues in accordance with the requirements of the SSE *Guidelines* and, for featured issues, we optimised them based on the disclosure structure and issue boundaries. Finally, we identified 31 issues and created the ESG issue list. Among them, there were 12 issues under the environmental dimension, 11 issues under the social dimension, and 8 issues under the governance dimension.

### CSC 2025 Issue List



CSC 2025 Issue Changes

2025 issues	2024 issues	Change	Reasons for change
<b>Adjustments to featured issues</b>			
Sustainable financing	Sustainable finance	Split	Split to present the Company's business layout and strategic direction more accurately and taking into account the optimisation of the disclosure structure and clarification of issue boundaries.
Carbon finance			
Supporting the real economy	Supporting the real economy	Merge	Merged to align with policy trends, and with reference to the guiding principles of the Five Major Areas in the financial sector.
	Inclusive finance		
<b>Adjusted based on the SSE Guidelines</b>			
Pollutant discharge	Green operations	Split	Added, split or expression optimised to fully implement the requirements of the SSE <i>Guidelines</i> and ensure that the issue system covers the issue descriptions in the SSE <i>Guidelines</i> , thereby providing a basis for conducting double materiality analysis and for issue management and disclosure.
Waste disposal			
Environmental compliance management			
Energy usage			
Usage of water resources			
Circular economy			
Rural revitalisation	Rural revitalization and community welfare	Optimised expression	
Contributions to the society			
Innovation-driven	Fintech empowerment		
Safety and quality of products and services	Customer service optimisation		
Employees	Human capital development	Add	
Supply chain security	Supplier management		
Anti-commercial bribery and anti-corruption	Business ethics and prevention of financial crimes	Add	
Ecosystem and biodiversity protection	---		
Ethics of science and technology	---		
Due diligence	---		
Communications with stakeholders	---		
Equal treatment to small and medium-sized enterprises	---		

## Conclusion of the Issue-related Impact, Risk and Opportunity Analysis

For the 31 issues identified, the Company, based on actual operating conditions, the results of stakeholder surveys, and recommendations from internal and external experts, analysed the types of impacts, risks, and opportunities related to them, clarified the time horizon for their impacts, and comprehensively assessed their potential financial impacts on the Company.

CSC 2025 Material Issue-related Impact, Risk and Opportunity Analysis Table

Issue	Type of major impacts <sup>1</sup>	Type of major risks/opportunities <sup>2</sup>	Impact timeframe <sup>3</sup>	Expected Financial impact
Climate change tackling	Actually positive	Market opportunities, product and service opportunities	Short and medium term	Increased revenue, increased portfolio value
Pollutant discharge	Potentially negative	Policy and legal risks	Long term	Compliance costs increase
Waste disposal	Actually positive	Policy and legal risks	Medium and long term	Increased compliance costs
Ecosystem and biodiversity protection	Potentially positive	Credit risk, reputational risk	Long term	Portfolio value decrease, revenue decrease
Environmental compliance management	Potentially negative	Policy and legal risks	Short, medium, and long term	Compliance costs increase
Energy usage	Actually positive	Energy source opportunities	Short, medium, and long term	Decreased operating costs
Usage of water resources	Actually positive	Resource efficiency opportunities	Short, medium, and long term	Decreased operating costs
Circular economy	Actually positive	Resource efficiency opportunities	Long term	Decreased operating costs
Investment and financing ESG risk management	Potentially negative	Credit risk, market risk	Short, medium, and long term	Revenue decrease
Sustainable financing	Actually positive	Market opportunities	Short, medium, and long term	Increased revenue
Carbon finance	Actually positive	Market opportunities	Short, medium, and long term	Increased revenue
Responsible investment	Potentially positive	Market opportunities	Medium and long term	Revenue increase
Innovation-driven	Actually positive	Product and service opportunities	Medium and long term	Increased revenue
Ethics of science and technology	Potentially negative	Policy and legal risks	Short, medium, and long term	Compliance costs increase
Supporting the real economy	Actually positive	Market opportunities	Short, medium, and long term	Increased revenue

<sup>1</sup> Actually positive/negative indicates that the issue has already had an observable impact on the Company; potentially positive/negative indicates that the issue may have an impact in the future.

<sup>2</sup> The risks/opportunities presented herein set out only the principal risks or opportunities faced by the Company in relation to the relevant issues. For example, in respect of "Climate Change Tackling", following the Company's assessment, climate-related risks have had a relatively limited financial impact on the Company and its investment portfolio. Accordingly, only the principal opportunities (being the primary financial impacts) are presented here.

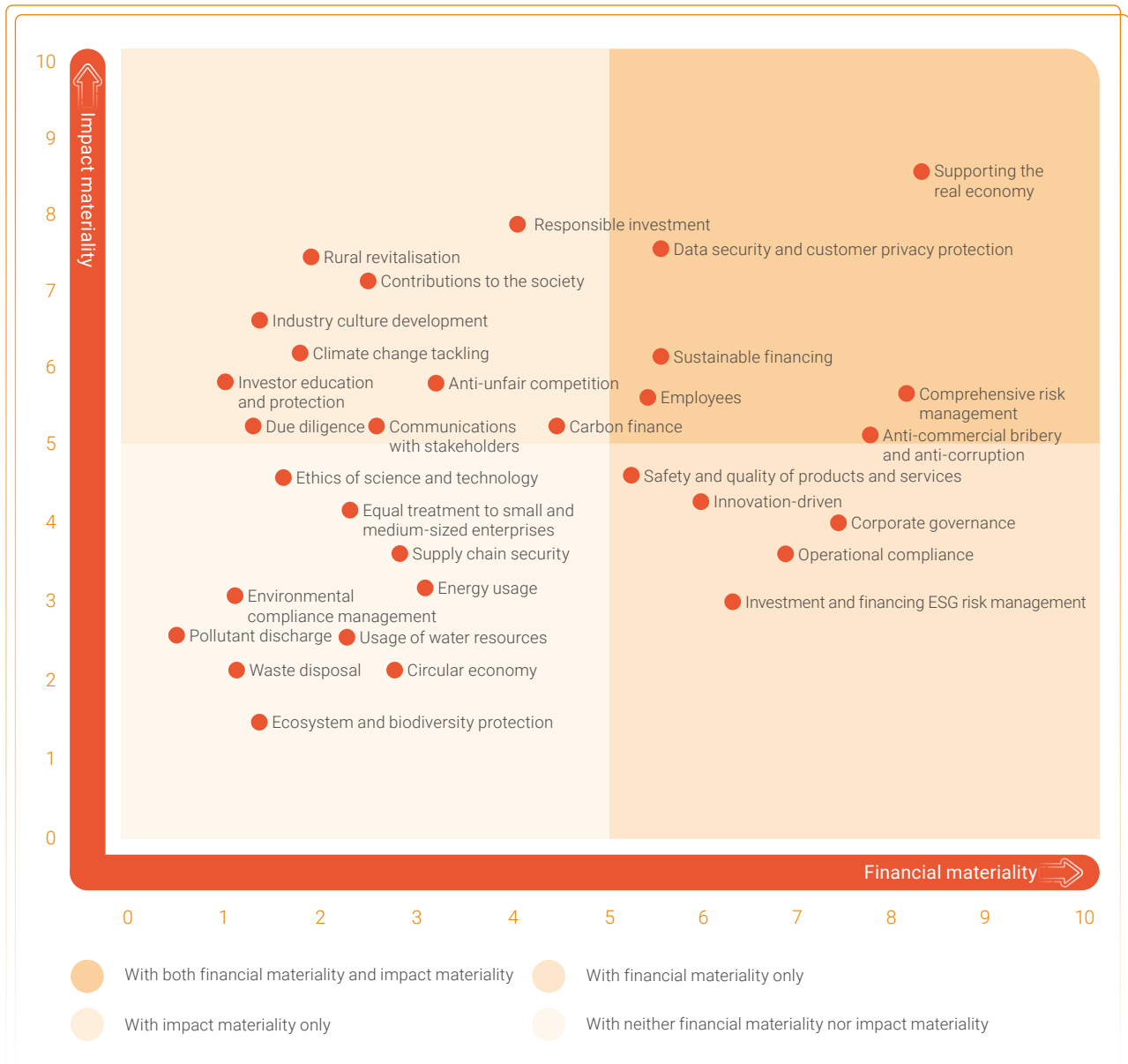
<sup>3</sup> The impact timeframe is set with reference to the China Corporate Sustainability Disclosure Standards—Basic Standards (Trial) issued by the Ministry of Finance and the Company's actual operations. Short term refers to within one year (including one year) after the end of the reporting period. Medium term refers to one year to five years (including five years) after the end of the reporting period. Long term refers to more than five years after the end of the reporting period.

Issue	Type of major impacts <sup>1</sup>	Type of major risks/ opportunities <sup>2</sup>	Impact timeframe <sup>3</sup>	Expected Financial impact
Data security and customer privacy protection	Potentially negative	Policy and legal risks	Medium and long term	Compliance costs increase, revenue decrease
Safety and quality of products and services	Actually positive	Product and service opportunities	Medium and long term	Increased revenue
Employees	Actually positive	Product and service opportunities	Short, medium, and long term	Increased revenue
Supply chain security	Potentially negative	Reputational risk	Long term	Operating costs increase
Equal treatment to small and medium-sized enterprises	Potentially negative	Reputational risk	Long term	Revenue decrease
Rural revitalisation	Actually positive	Product and service opportunities	Short, medium, and long term	Increased revenue
Contributions to the society	Actually positive	Reputational opportunities	Short, medium, and long term	Increased revenue
Investor education and protection	Actually positive	Policy and legal risks	Short, medium, and long term	Increased compliance costs
Due diligence	Potentially negative	Policy and legal risks, credit risk	Medium and long term	Compliance costs increase
Communications with stakeholders	Actually positive	Product and service opportunities	Short, medium, and long term	Increased revenue
Corporate governance	Potentially negative	Policy and legal risks	Short, medium, and long term	Operating costs increase
Anti-commercial bribery and anti-corruption	Potentially negative	Policy and legal risks	Short, medium, and long term	Compliance costs increase, revenue decrease
Anti-unfair competition	Potentially negative	Policy and legal risks	Medium and long term	Compliance costs increase, revenue decrease
Comprehensive risk management	Potentially negative	Strategic risk, credit risk, liquidity risk, market risk, operational risk, information technology risk, legal and compliance risk, reputational risk, etc.	Short, medium, and long term	Operating costs increase, revenue decrease, default cost decrease
Industry culture development	Potentially positive	Product and service opportunities	Medium and long term	Revenue increase
Operational compliance	Potentially negative	Policy and legal risks	Medium and long term	Compliance costs increase, revenue decrease

### Conclusion of Issue Materiality Analysis

Based on standard benchmarking, policy analysis, peer comparison, and the results of material issue surveys, and applying the set materiality thresholds, among the Company's 31 ESG issues, six are of double materiality, five are of financial materiality only, ten are of impact materiality only, and ten are of neither financial materiality nor impact materiality.

CSC 2025 Materiality Matrix




Based on the 2025 materiality matrix, we conducted an in-depth analysis and assessment of the risks and opportunities associated with the issues identified as financially material, and implemented targeted management measures. This report focuses on the four pillars of 'Governance — Strategy — Impact, Risk and Opportunity Management — Metrics and Targets' and discloses the related management measures and actions, ensuring transparency and accountability.



## ↳ Due Diligence and Stakeholder Communication

CSC uses the due diligence working mechanism as the foundation, integrates it into various governance systems and processes, and continuously strengthens and improves the governance structure to ensure the effective advancement of sustainable development efforts. For the specific due diligence measures on the business side (customers and investment portfolios) and the supply chain side (upstream suppliers), please refer to the 'Responsible Investment', 'Investment and Financing ESG Risk Management', 'Comprehensive Risk Management' and 'Supply Chain Security' sections of this report. In addition, by integrating the information from stakeholder surveys, we have established a more robust analytical system, aiming to effectively identify, address, and prevent various impacts, risks, and opportunities in daily operations, and to further enhance its ability to identify and manage material issues.

The Company, based on actual business operations and management needs, as well as the value chain, analyses the segments in which various issues generate real external impacts, thereby identifying the key stakeholders affected. We treat these value chain links as key management priorities and systematically respond to stakeholders' concerns.

CSC 2025 Value Chain Segments Where Issues Generate Impacts and the Key Stakeholders Affected

Dimension	Issue	Value chain segment where the issue generates impacts	Key stakeholders affected
 Environmental	Climate change tackling	Own operations, downstream of the value chain, investment portfolio	Community and the environment, customers
	Pollutant discharge	Own operations	Community and the environment
	Waste disposal	Own operations	Community and the environment
	Ecosystem and biodiversity protection	Own operations	Community and the environment
	Environmental compliance management	Own operations	Community and the environment
	Energy usage	Own operations	Community and the environment
	Usage of water resources	Own operations	Community and the environment
	Circular economy	Own operations	Community and the environment
	Investment and financing ESG risk management	Downstream of the value chain, investment portfolio	Customers
	Sustainable financing	Downstream of the value chain, investment portfolio	Community and the environment, customers
	Carbon finance	Downstream of the value chain, investment portfolio	Community and the environment, customers
	Responsible investment	Downstream of the value chain, investment portfolio	Community and the environment, customers

Dimension	Issue	Value chain segment where the issue generates impacts	Key stakeholders affected
 Social	Innovation-driven	Own operations	Customers
	Ethics of science and technology	Own operations	Customers
	Supporting the real economy	Downstream of the value chain	Customers
	Data security and customer privacy protection	Own operations, downstream of the value chain	Suppliers and partners, customers
	Safety and quality of products and services	Downstream of the value chain	Customers
	Employees	Own operations	Employees
	Supply chain security	Upstream of the value chain	Suppliers and partners
	Equal treatment to small and medium-sized enterprises	Upstream of the value chain	Suppliers and partners
	Rural revitalisation	Downstream of the value chain	Community and the environment
	Contributions to the society	Downstream of the value chain	Community and the environment
	Investor education and protection	Downstream of the value chain	Customers, shareholders and investors
 Governance	Due diligence	Own operations	Suppliers and partners, customers
	Communications with stakeholders	Own operations	Suppliers and partners, customers, shareholders and investors, the government and regulators, community and the environment, and employees
	Corporate governance	Own operations	Shareholders and investors
	Anti-commercial bribery and anti-corruption	Upstream of the value chain, own operations	Suppliers and partners, shareholders and investors
	Anti-unfair competition	Own operations	Suppliers and partners, shareholders and investors
	Comprehensive risk management	Own operations	Shareholders and investors
	Industry culture development	Own operations	Suppliers and partners, shareholders and investors
	Operational compliance	Own operations	Suppliers and partners, shareholders and investors

Focusing on the concerns of all parties, we have established diversified and multi-dimensional communication mechanisms, continuously listening to stakeholders' views and expectations, and responding promptly to their key requests. Meanwhile, we fully leverage the communication effectiveness of our new media matrix. With our official website and WeChat official account as the core information platforms, we have built diverse interactive channels to ensure the efficient operation of an effective regular communication mechanism with all stakeholders.

CSC's Communication Channels and Methods, Responses, and Practices for Key Stakeholders in 2025

Key stakeholders	Issues of Interest	Communication channels and methods
 <p><b>Shareholders and investors</b></p>	<ul style="list-style-type: none"> <li>• Investor education and protection</li> <li>• Communications with stakeholders</li> <li>• Corporate governance</li> <li>• Anti-commercial bribery and anti-corruption</li> <li>• Anti-unfair competition</li> <li>• Comprehensive risk management</li> <li>• Industry culture development</li> <li>• Operational compliance</li> </ul>	<ul style="list-style-type: none"> <li>• General Meetings</li> <li>• Information disclosure on stock exchange websites and other channels</li> <li>• Investor communication meetings and surveys</li> <li>• Phone, email, and official communication platforms</li> <li>• WeChat Official Account, Company website, and other new media platforms</li> </ul>
 <p><b>Government and regulators</b></p>	<ul style="list-style-type: none"> <li>• Communications with stakeholders</li> <li>• Operational compliance</li> <li>• Supporting the real economy</li> <li>• Anti-commercial bribery and anti-corruption</li> <li>• Rural revitalisation</li> <li>• Contributions to the society</li> <li>• Climate change tackling</li> <li>• Anti-unfair competition</li> <li>• Industry culture development</li> </ul>	<ul style="list-style-type: none"> <li>• Participation in government inspections and research events</li> <li>• Major conferences</li> <li>• Policy consultation</li> <li>• Exchange of official correspondence</li> <li>• Event reporting</li> </ul>
 <p><b>Customers</b></p>	<ul style="list-style-type: none"> <li>• Climate change tackling</li> <li>• Investment and financing ESG risk management</li> <li>• Sustainable Financing</li> <li>• Carbon finance</li> <li>• Responsible investment</li> <li>• Innovation-driven</li> <li>• Ethics of science and technology</li> <li>• Supporting the real economy</li> <li>• Data security and customer privacy protection</li> <li>• Safety and quality of products and services</li> <li>• Investor education and protection</li> <li>• Communications with stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>• Customer surveys and visits</li> <li>• Customer complaint hotline, customer satisfaction surveys</li> <li>• WeChat Official Account, and other new media platforms</li> <li>• Investor education activities</li> </ul>



Key stakeholders	Issues of Interest	Communication channels and methods
 <p><b>Employees</b></p>	<ul style="list-style-type: none"> <li>• Employees</li> <li>• Communications with stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>• Employee recruitment strategy</li> <li>• Employee training system</li> <li>• Daily communication and feedback</li> <li>• Employee research</li> <li>• WeChat Official Account, Company website, and other new media platforms</li> </ul>
 <p><b>Suppliers and partners</b></p>	<ul style="list-style-type: none"> <li>• Data security and customer privacy protection</li> <li>• Supply chain security</li> <li>• Equal treatment to small and medium-sized enterprises</li> <li>• Due diligence</li> <li>• Communications with stakeholders</li> <li>• Anti-commercial bribery and anti-corruption</li> <li>• Anti-unfair competition</li> <li>• Industry culture development</li> <li>• Operational compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic partnership negotiations</li> <li>• Supplier inspections</li> <li>• Daily communication</li> <li>• Bidding activities</li> </ul>
 <p><b>Community and the environment</b></p>	<ul style="list-style-type: none"> <li>• Climate change tackling</li> <li>• Pollutant discharge</li> <li>• Waste disposal</li> <li>• Ecosystem and biodiversity protection</li> <li>• Environmental compliance management</li> <li>• Energy usage</li> <li>• Usage of water resources</li> <li>• Circular economy</li> <li>• Sustainable financing</li> <li>• Carbon finance</li> <li>• Responsible investment</li> <li>• Rural revitalisation</li> <li>• Contributions to the society</li> <li>• Communications with stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>• Volunteer and volunteer activities</li> <li>• Research and implementation of public welfare projects such as rural revitalisation and environmental protection</li> <li>• NGO cooperation and communication</li> <li>• WeChat Official Account, Company website, and other new media platforms</li> </ul>

Communication frequency, Responses, and Practices for Key Stakeholders in 2025

Key stakeholders	Communication frequency	Specific responses and practices
 <p><b>Shareholders and investors</b></p>	<p>Quarterly and annually Prompt communication in the event of major matters</p>	<ul style="list-style-type: none"> <li>• We conducted regular information disclosure in a comprehensive and standardised manner.</li> <li>• We held performance briefings in a timely manner, and deepened engagement through various formats such as roadshows, analyst meetings, reception of visits, and discussion and exchange sessions.</li> <li>• Through multiple channels, including SSE Info, investor hotline, email, dedicated sections on our official website, and the WeChat official account 'CSC Insight', we released updates on business developments, financial performance, and ESG practices, and used tools such as reminders for online voting at General Meetings.</li> </ul>
 <p><b>Government and regulators</b></p>	<p>Regular reporting as required by laws and regulations Prompt communication in the event of major matters</p>	<ul style="list-style-type: none"> <li>• We fully implemented the guiding principles of the 20th National Congress of the Communist Party of China and all plenary sessions of the 20th Central Committee, as well as the Central Financial Work Conference and the Central Economic Work Conference, and put into practice the political nature and people-centred nature of financial work.</li> <li>• We actively responded to regulatory requirements and deeply embedded the industry tenets of 'compliance, integrity, professionalism, and stability' into corporate governance and operational management.</li> <li>• We implemented relevant requirements on employee integrity, and carried out training and awareness-raising on integrity and anti-money laundering (AML).</li> <li>• We adhered to comprehensive risk management and continuously improved the development of the comprehensive risk management system.</li> <li>• We regularly conducted compliance audits targeting operational and business processes, and strengthened internal management and operations.</li> </ul>
 <p><b>Customers</b></p>	<p>Ongoing routine communication Targeted communication in the event of product and service changes or risk incidents</p>	<ul style="list-style-type: none"> <li>• We optimised the strategic customer system and the CRM system, and strengthened coverage and services for key customers such as central SOEs.</li> <li>• We promoted the development of an inclusive digital intelligence centre and AI-enabled trading capabilities, and enhanced the effectiveness of customer services across all channels.</li> <li>• We increased efforts to protect customer privacy and safeguard customer information processing permissions, strictly observed the principle of confidentiality of personal information, implemented minimum authorisation access, and embedded privacy protection mechanisms throughout the full development lifecycle.</li> <li>• Focusing on customers' diversified needs, we continued to provide comprehensive financial services, and systematically integrated ESG factors into the design of investment and financing solutions, product innovation, and risk management.</li> <li>• By strengthening responsible investment, investor education, and fintech applications, we enhanced service professionalism and sustainable finance service capabilities, and supported customers in achieving long-term steady development.</li> </ul>

Key stakeholders	Communication frequency	Specific responses and practices
 <p><b>Employees</b></p>	<p>Monthly or quarterly internal communication Timely communication in the event of major strategic or personnel adjustments</p>	<ul style="list-style-type: none"> <li>• We remained people-oriented and incorporated employee development and organisational effectiveness building into corporate governance and operational management, and continuously improved our systems for recruitment, training, performance management, and protection of employees' rights and interests.</li> <li>• Through systematic talent development mechanisms, tiered and categorised training programmes, and democratic communication mechanisms, we enhanced employees' professional capabilities and sense of fulfilment, and fostered a well-regulated, fair, and inclusive working environment.</li> </ul>
 <p><b>Suppliers and partners</b></p>	<p>Communication on a project or contract-cycle basis Timely communication at key milestones of collaboration and when issues arise</p>	<ul style="list-style-type: none"> <li>• We strictly implemented procurement and supply chain management systems, and continued to improve supplier admission, compliance review, and risk management mechanisms by incorporating requirements such as integrity, anti-commercial bribery, information security, and environmental responsibility into the procurement process.</li> <li>• By advancing the digitalisation of procurement processes and fair competition mechanisms, we safeguarded the legitimate rights and interests of partners and promoted the development of a transparent, standardised, and sustainable supply chain ecosystem.</li> </ul>
 <p><b>Community and the environment</b></p>	<p>Annual disclosure (e.g., ESG reports) Timely communication in the event of major environmental or community impact incidents</p>	<ul style="list-style-type: none"> <li>• We integrated the green and low-carbon philosophy into our operations management and financial services. By advancing green operations, energy conservation and emissions reduction, paperless office practices, and green procurement, we reduced the environmental impacts of our own operations.</li> <li>• Leveraging green finance, rural revitalisation and social welfare initiatives, as well as volunteer services, we supported ecological protection, community development, and improvements in people's livelihoods, and actively fulfilled our corporate social responsibility.</li> </ul>

## ↳ ESG Governance Arrangements

CSC has established a top-down ESG governance structure, with the Board exercising comprehensive oversight of and assuming ultimate responsibility for ESG matters. We have established an ESG Committee under the Executive Committee, with the chairman of the Board as the chair and the general manager as the vice chair. We have integrated ESG factors into corporate governance, business strategy, and risk management, and other areas to coordinate and drive all departments, branches, and subsidiaries to implement the requirements for ESG issues and promote sustainability practices.

In 2025, we continued to enhance our ESG management capabilities and revised the *Rules of Procedure for the Board Development Strategy Committee*, officially incorporating into the primary responsibilities of the Development Strategy Committee the duties of carrying out ESG management research, providing decision-making advisory suggestions, and supervising the Company in strengthening communication with stakeholders on material ESG matters, thereby further improving our ESG management system and enhancing ESG management at the Board level.

### CSC's ESG Management Framework



### Special Committees of the Board of CSC and Their ESG-Related Responsibilities

Committee	Responsibilities
Development Strategy Committee	<ul style="list-style-type: none"> <li>• Conduct research on domestic and international industries, policies, and the Company's operating conditions to support the formulation of the Company's medium- and long-term strategies and major decision-making.</li> <li>• Review special reports on development strategy and regularly issue research findings, and fulfil the strategic consultancy and reporting responsibilities assigned by the Board.</li> <li>• Assess the integration mechanism between corporate culture and strategy, promote synergy between cultural values and the development strategy, and implement relevant regulatory requirements.</li> <li>• Conduct research on the Company's sustainability/ESG management, provide decision-making consultancy suggestions, urge the Company to strengthen communication with stakeholders on material sustainability/ESG matters, review the Company's sustainability/ESG reports, and propose suggestions to the Board.</li> </ul>
Risk Management Committee	<ul style="list-style-type: none"> <li>• Review the overall objectives, fundamental policies, and organisational structure of compliance and risk management, and propose suggestions for optimisation.</li> <li>• Set risk boundaries, evaluate major decisions and major risk response plans, and ensure alignment between strategy and resource allocation.</li> <li>• Supervise and review risk management policies, as well as compliance and risk reports, and perform other duties as authorised by the Board and required by regulatory provisions.</li> </ul>
Audit Committee	<ul style="list-style-type: none"> <li>• Supervise internal and external audits, propose the appointment or replacement of external auditors, and coordinate the audit collaboration mechanism.</li> <li>• Review financial information and its disclosure, assess the authenticity, accuracy, and completeness of financial reports, and submit them to the Board for review.</li> <li>• Supervise the Company's internal control, risk management, and the performance of duties by senior managers, and perform other duties under the powers and supervisory requirements of the Supervisory Committee as stipulated in the <i>Company Law of the People's Republic of China</i>.</li> </ul>
Remuneration and Nomination Committee	<ul style="list-style-type: none"> <li>• Review directors' and senior managers' remuneration, equity incentive schemes, and employee shareholding plans, and oversee the compliance and effectiveness of incentive mechanisms.</li> <li>• Be responsible for governance matters such as the nomination of directors, the appointment and removal of senior managers, and subsidiary shareholding arrangements, and perform other duties authorised by the Board and required under regulatory provisions.</li> </ul>

In 2025, the Company's ESG Committee held two meetings and reviewed and approved proposals including the *2024 Sustainability & Environmental, Social, and Governance (ESG) Report* and *2025 ESG Work Plan*. While reviewing the development of our ESG efforts in 2024, the Committee also systematically planned key tasks for 2025. Focusing on key issues such as responsible investment, energy usage, investment and financing ESG risk management, and data security, it reviewed and approved documents including the *Statement on the External Exercise of the Right to Vote* and the *Green and Low-carbon Initiative themed Energy Conservation and Carbon Reduction*, further refining the ESG governance mechanism, strengthening responsibility performance and risk control, and promoting the deep integration of sustainability concepts into the Company's operations and management.

In 2025, we established a tiered and categorised ESG capacity-building system. For the decision-making and supervisory level and the management level, the Company provided directors and members of the ESG Committee with specialised training on 'Sustainability and ESG Policy Analysis and Improvement Directions for A+H Listed Companies', and organised directors' participation in the 'ESG and Sustainability' course run by the Listed Companies Association of Beijing, thereby deepening directors' strategic understanding of ESG and strengthening decision-making empowerment. For the executive level, through the online E-learning platform, the Company delivered the 'Sustainability and ESG Policy Analysis for A+H Listed Companies' course to all employees, comprehensively strengthening employees' ESG awareness and consolidating the talent base for sustainable development.

The Company continues to promote the alignment of ESG performance with the remuneration mechanism. By incorporating ESG-related indicators such as compliance, risk control, integrity, investor suitability management and protection of investors' rights and interests, and adherence to industry culture into performance assessments for management and employees, it strengthens incentives and constraints and links ESG performance to remuneration.

# 01

## Environmental

Supporting the Low-Carbon Transformation of the Economy and Society through Green and Sustainable Finance





# Supporting the Low-Carbon Transformation of the Economy and Society through Green and Sustainable Finance

CSC actively responds to climate change by continuously improving its climate change and environmental risk management system. On the business side, we built a financial practice system covering sustainable financing, carbon finance, and responsible investment. On the operational side, we promote green office practices and efficient resource utilisation, and strengthen the coordinated management of pollutant discharge, waste disposal, and the circular economy, striving to create long-term value in the green and low-carbon transition of the economy and society.

## Issues responded:

**Business side:** Climate change tackling, sustainable financing, carbon finance, responsible investment, investment and financing ESG risk management

**Operational side:** Pollutant discharge, waste disposal, environmental compliance management, energy usage, usage of water resources, circular economy, ecosystem and biodiversity protection

## SDGs responded:



# Climate Change Tackling

With reference to the IFRS S2 (*International Financial Reporting Standard for Sustainability Disclosure No. 2: Climate-related Disclosures*) framework, CSC has established a climate-related governance and risk management system to systematically identify, assess, and monitor climate-related risks and opportunities, and has formulated and advanced the implementation of response measures. We continuously review and optimise the system based on business practices, and drive iterative improvements to further enhance the management system.

## ↳ Governance

The Company has formulated policies including the *ESG Risk Control Guidelines (Trial)*, *Emergency Response Management Measures*, and *Emergency Management Regulations for Branches*, and issued the *Investment and Financing Environmental, Social, and Governance (ESG) Risk Management Statement (2025 Edition)*, thereby establishing a top-down climate change governance structure encompassing the Board, ESG Committee under the Executive Committee, Risk Management Department, and various departments.

CSC's Governance Structure for Climate Change Tackling

Level	Organisation	Responsibilities
Decision-making and supervisory level	Board	<ul style="list-style-type: none"> <li>The highest decision-making body for climate-related issues.</li> <li>Formulate climate strategies and supervise the management of climate-related issues, track the implementation of ESG-related board resolutions, including those related to 'climate change tackling', and review policies on climate-related risks and opportunities on an annual basis.</li> <li>Comprehensively consider climate-related risks and opportunities in relevant decision-making oversight, and assess and balance their impacts on our strategy and risk management.</li> </ul>
Management level	ESG Committee under Executive Committee	<ul style="list-style-type: none"> <li>The chairman serves as the chair to shoulder ESG responsibilities.</li> <li>Formulate the Company's climate-related work plans on an annual basis, as well as policies and disclosure documents relating to climate risks and opportunities, and coordinate climate change tackling measures.</li> </ul>
Executive level	Risk Management Department	<ul style="list-style-type: none"> <li>Identify, assess, monitor, and report climate-related risks in all business activities, and establish and improve the related risk management systems.</li> </ul>
	All departments	<ul style="list-style-type: none"> <li>Undertake frontline climate-related risk management, and integrate ESG principles into the business risk management processes.</li> </ul>

## → Strategy

We place a heightened focus on climate-related risks and their impact on our financial business, strategies, and finances. We have identified major climate-related risks and opportunities and taken corresponding control strategies to prevent and respond to risks and opportunities arising from climate change.

### Analysis of CSC's Climate-related Risks and Opportunities

Type of risks/opportunities		Description	Impact timeframe	Value chain segment affected	
<b>Climate-related risks</b>					
Physical risks		Risk of Extreme weather and regional operational disruptions	Triggered by events such as rainstorms, floods, typhoons, mudslides, and droughts, causing impacts on office operations, on-site services at business outlets, and personnel safety.	Long term	<ul style="list-style-type: none"> <li>• Own operations</li> </ul>
	Acute physical risks	Risks of damage to assets and operating entities	Extreme weather events or natural disasters may cause damage to the facilities, warehouses, equipment, inventories, or other key assets of investee companies or relevant service providers.	Medium term	<ul style="list-style-type: none"> <li>• Investment portfolio</li> <li>• Downstream of the value chain</li> </ul>
		Risk of interruption to system and trading continuity	Trading, settlement, or core systems are unable to operate due to power outages, communications disruptions, or failures of computer rooms and systems caused by natural disasters.	Medium term	<ul style="list-style-type: none"> <li>• Own operations</li> <li>• Investment portfolio</li> <li>• Downstream of the value chain</li> <li>• Upstream of the value chain</li> </ul>
Transition risks	Market risk	Due to tightening policies, changes in market preferences, and industrial contraction, the profitability of the Company, its clients, or investee companies may decline, or operating costs may increase.	Short and medium term	<ul style="list-style-type: none"> <li>• Investment portfolio</li> <li>• Downstream of the value chain</li> </ul>	
	Policy and legal risks	Due to transition pressure and changes in regulatory expectations, the Company, customers or invested enterprises may face setbacks in their financing plans, resulting in consequences such as tight cash flow, repayment or redemption risks, and potential public or regulatory scrutiny.	Short and medium term	<ul style="list-style-type: none"> <li>• Investment portfolio</li> <li>• Downstream of the value chain</li> </ul>	
<b>Climate-related opportunities</b>					
Opportunities	Market opportunities	Under the 'carbon neutrality and carbon peaking' goals, China has set ambitious targets for the development of green finance and the establishment of a comprehensive green financial system, creating vast opportunities for the growth of green finance.	Short and medium term	<ul style="list-style-type: none"> <li>• Investment portfolio</li> <li>• Downstream of the value chain</li> </ul>	
	Product and service opportunities	Under the theme of green development, the Company can seize market opportunities by thoroughly analysing market trends, innovating green financial products and services, and meeting investors' growing preference for green finance.	Short and medium term	<ul style="list-style-type: none"> <li>• Downstream of the value chain</li> </ul>	

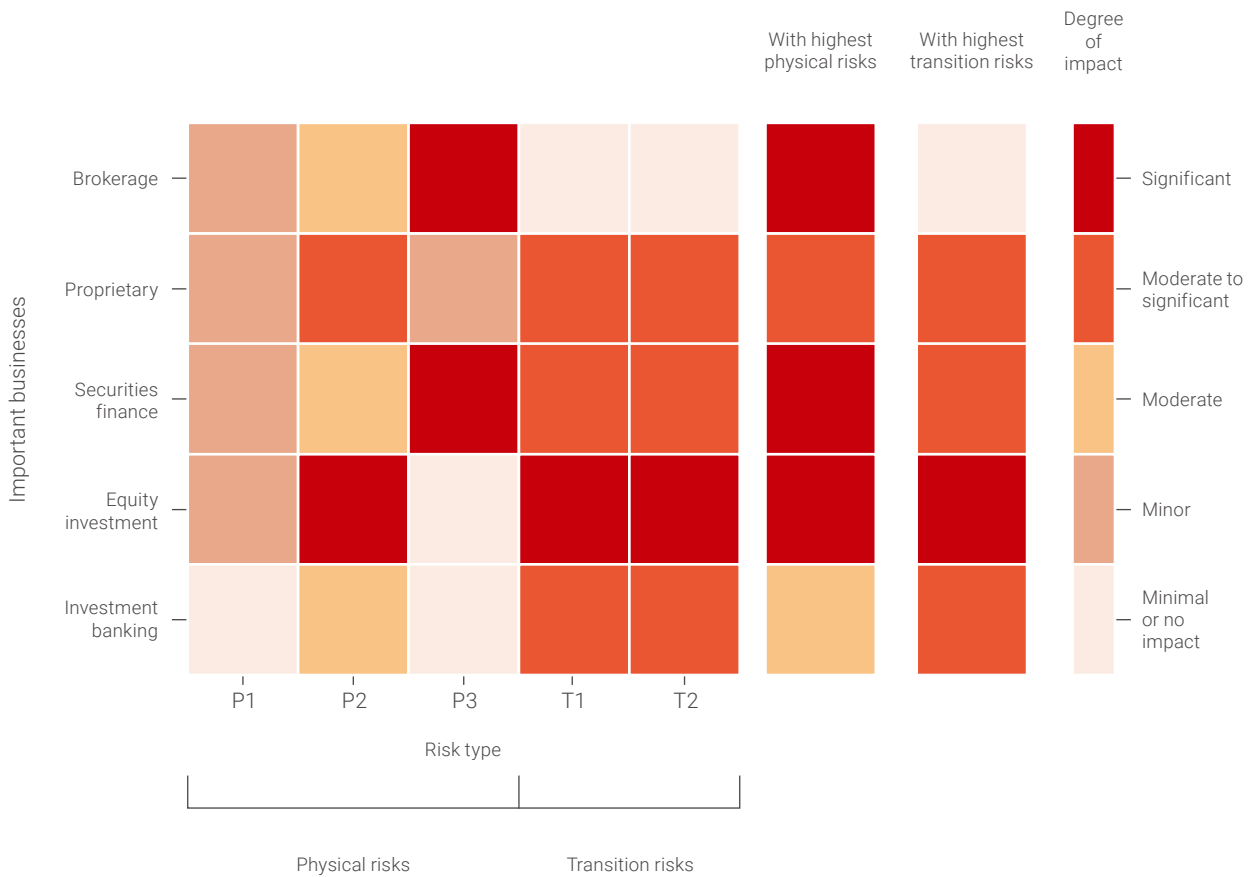
## Analysis of CSC's Climate-related Risks and Opportunities' Expected Financial Impact and Response Strategies

Type of risks/opportunities		Expected Financial impact	Response strategies
<b>Climate-related risks</b>			
Physical risks		Risk of Extreme weather and regional operational disruptions	<ul style="list-style-type: none"> <li>Decrease in operating revenue, interruptions to services or decline in efficiency at the Company's headquarters or branches</li> </ul>
	Acute physical risks	Risks of damage to assets and operating entities	<ul style="list-style-type: none"> <li>Decrease in operating revenue and contraction in business scale.</li> <li>Decline in investment portfolio value, business interruption and economic losses caused by destruction of key underlying assets</li> </ul>
		Risk of interruption to system and trading continuity	<ul style="list-style-type: none"> <li>Increase in operating costs, trading and settlement discontinuity caused by business disruptions, weakened system stability and service efficiency</li> </ul>
Transition risks	Market risk		<ul style="list-style-type: none"> <li>Decline in investment portfolio value, impacts on the underlying share price, credit quality, operating revenue and market share</li> </ul>
	Policy and legal risks		<ul style="list-style-type: none"> <li>Decrease in operating revenue and contraction in business scale.</li> <li>Decline in investment portfolio value: The value of industries related to the Company's investment portfolio may decrease.</li> </ul>
<b>Climate-related opportunities</b>			
Opportunities	Market opportunities		<ul style="list-style-type: none"> <li>On the business side, we have established a comprehensive climate risk management strategy and risk appetite, and formulated climate risk management procedures, continuously monitoring the implementation of climate risk management in investment and financing activities, and actively developing sustainable finance (for specific business practices, see the 'Sustainable Finance', 'Carbon Finance' and 'Responsible Investment' sections of this report).</li> <li>On the operational side, we have continuously promoted climate risk awareness within the Company and implemented green operations (for specific operational practices, see the 'Green Operations' section of this report).</li> </ul>
	Product and service opportunities	<ul style="list-style-type: none"> <li>Increase in operating revenue: A favourable external environment supports the development of the Company's green finance business. By innovating green financial products and services, we can expand our green finance business and generate related revenue.</li> <li>Increase in investment portfolio value: The value of industries related to green and low-carbon sectors within the Company's investment portfolio will rise accordingly.</li> </ul>	

In 2025, in order to further identify the relative sensitivity of different business lines under various climate-related risks and to clarify the priorities for subsequent risk management and analysis, we conducted a dedicated analysis of climate change-related physical risks and transition risks, focusing on our main business lines.

As assessed, the Company's overall level of climate risk was relatively low, with no significant risk exposure identified at present. In a horizontal comparison across our core businesses, physical risks are more pronounced in brokerage, equity investment and securities finance businesses than in other business segments, while transition risks are more pronounced in investment banking and equity investment businesses than in other business segments. We plan to include these in the core assessment scope of our future climate stress testing.

### CSC Heat Map of Climate Change-related Risk Analysis for Key Businesses



Note: This figure uses 'important businesses' as the vertical axis, groups climate risks into physical risks (P) and transition risks (T) as the horizontal axis, and further breaks them down into five risk sub-categories, namely, P1–P3 and T1–T2 (as shown in the table below). Each cell represents 'the impact degree of a specific business under a given risk subcategory', with the rating based on qualitative assessments of impact degrees derived from the Company's actual business operations. As assessed, our overall climate risk level was relatively low, which is on a relative scale and is mainly used for horizontal comparison, ranking, and visualisation across different business lines, and does not represent an absolute value of the impact on our operations. In the figure, 'With highest physical/transition risks' indicates the maximum extent of impact on each business under different types of risks. The cell colour, from light to dark, indicates the degree of impact from low to high.

### Coding Details of CSC Heat Map of Climate Change-related Risk Analysis for Key Businesses

Risk category	Coding	Risk definition
Physical risks	P1	<b>Extreme weather and regional operational disruptions:</b> Triggered by events such as rainstorms, floods, typhoons, mudslides, and droughts, causing impacts on office operations, on-site services at business outlets, and personnel safety.
	P2	<b>Damage to assets and infrastructure:</b> Extreme weather events or natural disasters may cause damage to the facilities, warehouses, equipment, inventories, or other key assets of investee companies or relevant service providers.
	P3	<b>System and trading continuity disruption:</b> Trading, settlement, or core systems are unable to operate due to power outages, communications disruptions, or failures of computer rooms and systems caused by natural disasters.
Transition risks	T1	<b>Impact of market and operating income:</b> Due to tightening policies, changes in market preferences, and industrial contraction, the profitability of the Company, its clients, or investee companies may decline, or operating costs may increase.
	T2	<b>Financing and cash flow or redemption pressure:</b> Due to transition pressure and changes in regulatory expectations, the Company, customers or invested enterprises may face setbacks in their financing plans, resulting in consequences such as tight cash flow, repayment or redemption risks, and potential public or regulatory scrutiny.

Given the significant differences in the transmission mechanisms and impact levels of climate-related risks under different transition pathways and warming scenarios, we further introduced the NGFS (Network for Greening the Financial System) climate scenario framework to conduct comparative analysis of the risk exposure characteristics of different industries and businesses under different climate scenarios, thereby supporting medium- to long-term risk assessments and management decision-making.

To ensure that the scenario analysis had a consistent basis for comparison, we first clarified, based on the NGFS scenario framework, the scenario types adopted for the analysis and their key assumptions, and characterised the differences in risk transmission across different scenarios from dimensions such as policy intensity, technological breakthroughs, market volatility, and warming pathways.

Based on NGFS scenario assumptions, we conducted a comparative analysis of climate sensitivity across 31 Shenwan Level-1 industries. Under orderly transition scenarios, risk concerns mainly focused on industries subject to stronger transition constraints; under hot house world scenarios, risk concerns shifted more towards industries that were more sensitive to climatic conditions and more susceptible to extreme weather events.

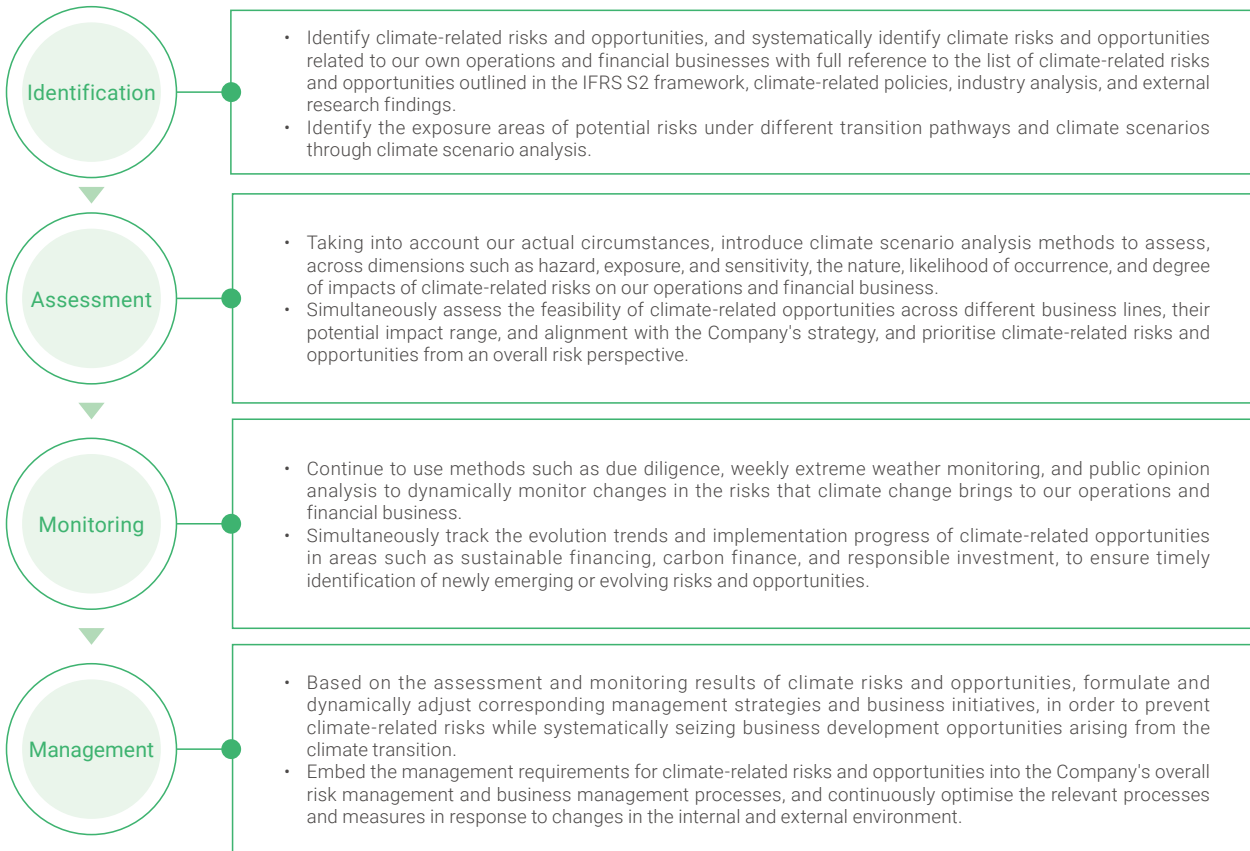
### CSC 2025 Recommended List of High ESG Risk Industries

Industry classification	Orderly transition scenarios (Orderly scenarios)	Hothouse world scenarios (Hot House World)
High-risk industries	Coal mining	Agriculture, forestry, animal husbandry, and fishery
	Petroleum and petrochemicals	Transportation and logistics
	Steel	Public utilities
	Power equipment and new energy	Coal mining
	Non-ferrous metals	Petroleum and petrochemicals
	Chemicals	/
Medium- to high-risk industries	Architectural decoration	Steel
	Transportation and logistics	Power equipment and new energy
	Agriculture, forestry, animal husbandry, and fishery	Architectural decoration
	Public utilities	Non-ferrous metals

## ↳ Impact, Risk and Opportunity Management

CSC has established and continues to enhance a climate risk and opportunity management process encompassing identification, assessment, monitoring and management, based on its business characteristics and risk management practices. We incorporate climate-related risks and opportunities into the unified risk management system. By introducing methods such as climate scenario analysis, we identify their potential impacts on our own operations and financial business, determine the prioritisation of risks and opportunities, and implement ongoing monitoring and management to support our strategic decision-making and the steady operation of our business.

### CSC Climate Change Risk and Opportunity Management Process



## ↳ Metrics and Targets

CSC has established a target management mechanism for key resource use and emissions metrics in operations, and continues to reduce energy and water consumption per unit area, and greenhouse gas (GHG) emissions intensity. Meanwhile, on the business side, we gradually incorporate climate change and environmental factors into business management and risk assessment, promote the development of related business such as sustainable financing and responsible investment, and disclose relevant metrics and progress analysis on an annual basis (for detailed metrics, please refer to the 'Green Operations', 'Sustainable Financing', 'Responsible Investment', and 'Investment and Financing ESG Risk Management' sections of this report).

### CSC Climate Change Targets and 2025 Performance

Head Office Target	Achievement in 2025
By 2025, GHG emissions per unit area (Scope 1 + Scope 2) and electricity consumption per unit area are expected to show a downward trend compared to 2022.	Achieved. In 2025, the GHG emissions per unit area (Scope 1 + Scope 2) and electricity consumption per unit area at the Company's head office decreased by 31.10% and 29.01%, respectively, compared with 2022.

# Sustainable Financing

## ↳ Governance

CSC has clearly defined the relevant management requirements and business processes for sustainable financing, and established policy support and an implementation mechanism for sustainable financing management. The Company has established a working system under which the decision-making and supervisory level provides overall coordination, the management level ensures alignment, and the executive level is responsible for implementation, promoting closed-loop management of sustainable financing in terms of strategic direction, resource synergy, and business implementation.

CSC's Governance Structure for Sustainable Financing



## ↳ Strategy

CSC closely follows the guidance of the 'Five Major Areas' of finance, continuously tracks changes in financing demand related to green transition and social responsibility, and leverages our comprehensive strengths in project acquisition, solution design, and professional services to seize business opportunities in areas such as green equity financing, green debt financing, and green financial advisory services, thereby promoting the steady growth of relevant financing business and service income.

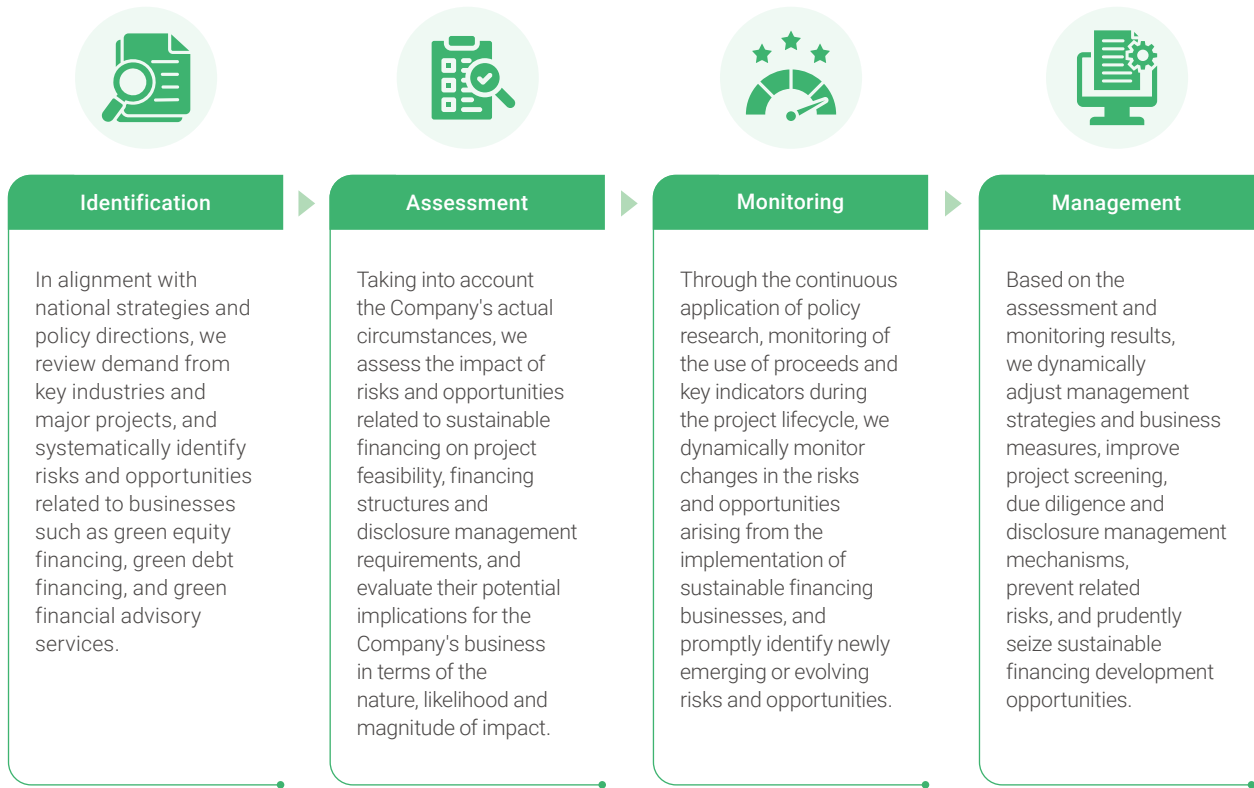
Analysis of CSC's Opportunities in Sustainable Financing and Response Strategies

Type of opportunities	Opportunities	Impact timeframe	Expected Financial impact	Response strategies
Market opportunities	Against the backdrop of the ongoing advance of the green transition and sustainable development goals, real-economy enterprises' financing needs in energy conservation and emissions reduction, transformation and upgrading, and the fulfilment of social responsibilities have continued to expand. Our strengths in project acquisition, solution design, and professional service capabilities are expected to be translated into additional new business volume.	Short, medium, and long term	Increased revenue	Closely aligned with the 'Five Major Areas' of finance, the Company advances sustainable financing, with a focus on developing green equity, debt, and financial advisory business, strengthens project due diligence and information disclosure management, and enhances business quality.

## ↳ Impact, Risk and Opportunity Management

CSC maintains ongoing communication with various stakeholders in the financial market, closely monitors changes in policy direction and market demand, and continuously identifies and tracks opportunities and potential risks related to sustainable financing. The Company has established a closed-loop process encompassing identification, assessment, monitoring and management to promote the steady development of sustainable financing.

### CSC's Sustainable Financing Risk and Opportunity Management Process



The Company focuses on green and low-carbon industries such as energy conservation and environmental protection, clean energy, and the ecological environment. Through comprehensive services including equity financing, bond financing, and financial advisory, we provide financing support, striving to develop benchmark projects and establish a replicable service model with CSC's distinctive characteristics.

## Case: Specific Practices in Sustainable Financing in the Green Low-Carbon Sector

### Supporting the Successful Execution of CATL's Hong Kong IPO



In May 2025, CSC once again joined hands with a leading player in the new energy industry, Contemporary Amperex Technology Co., Limited (CATL), to successfully complete its listing in Hong Kong. This project raised HKD 41.00 billion, making it the largest single green equity financing project in 2025.

Focusing on the financing needs of the new energy and green, low-carbon industrial chains, this project provides critical funding support for a leading enterprise's global capacity deployment and green technology innovation. It also further enriches our sustainable financing service portfolio and enhances our specialised solution capabilities. This project was recognised by finance.cnr.cn as an outstanding case in green development practice.

### Supporting Shandong Energy's Issuance of First Blue Carbon Neutral REITs



In April 2025, the SPIC-Shandong Energy Infrastructure Investment Blue Carbon Neutral Asset-Backed Special Plan was successfully established, with a project size of RMB 3.9 billion. CSC acts as the plan manager and sales agency. This project is the first blue carbon neutral REITs issued by SPIC, the first offshore wind power REITs project in Shandong Province.

The project is located in the sea area to the south of Haiyang City, with an installed capacity of 301.6 MW. It is the first new CCER (China Certified Emission Reduction) project nationwide, with an annual emissions reduction of approximately 500,000 tonnes.

### Supporting Guangxin Group's Successful Issuance of a Belt and Road Green Bond



In January 2025, CSC, acting as the lead underwriter and bookrunner, assisted Guangdong Guangxin Holdings Group Co., Ltd. in successfully issuing the 2025 publicly offered Belt and Road Science and Technology Innovation Corporate Bond (Green Silk Road) for professional investors. The issuance size was RMB 700 million, adopting a mutual swap structure between 5-year and 10-year maturities. The proceeds were mainly used to replace capital contributions to its subsidiary, Indonesia Guangqing Nickel-Cobalt Co., Ltd., and to support the construction of a hydrometallurgical project for upstream raw materials for new energy power batteries.

The project aligns with the relevant policy orientation of the Green Silk Road, helps enhance the security of the new energy industrial chain, and supports Belt and Road green cooperation and high-quality development.

### Supporting the Successful Execution of Yuanda Environmental Protection's Major Asset Restructuring Project



In November 2025, CSC acted as the independent financial adviser, supporting Yuanda Environmental Protection's major asset restructuring project in completing closing and the registration of new shares, with a transaction size of RMB 27.2 billion.

The transaction a significant step taken by the company to support SPIC in fully implementing the national energy strategy. Upon completion of the transaction, Yuanda Environmental Protection integrated the hydropower generation and the integrated new energy business of basin hydropower stations in Hunan and Guangxi under the SPIC, and transformed into SPIC's onshore hydropower asset integration platform.

## Case: Specific Practices in Sustainable Financing in the Social Welfare Sector

### Assisting Long Ping High-Tech in Successfully Completing the Private Placement of Shares



In May 2025, Yuan Long Ping High-Tech Agriculture Co., Ltd. (Long Ping High-Tech) successfully completed its private placement of shares. CSC acted as the sponsor and lead underwriter, and raised RMB 1.2 billion.

The project implements and supports the national seed industry revitalisation strategy, and is mainly used to promote Long Ping High-Tech's R&D and industrial integration, enhance its innovation capabilities and core competitiveness, and further strengthen its capacity to support national food safety and the high-quality development of modern agriculture.

## ↪ Metrics and Targets

CSC sets sustainable financing-related targets around its investment banking business and fixed income business, establishes a metrics statistics and annual tracking mechanism, and continuously monitors and discloses achievements related to equity, bonds, and fixed income products.

### CSC's Quantitative Achievements in Sustainable Financing in 2025

#### Investment Banking Business

Category	Equity financing	Bond financing
Green and low-carbon	<ul style="list-style-type: none"> <li>Acted as sponsor for CATL's listing on the Hong Kong Stock Exchange, with a financing scale of HKD 41 billion, representing the largest single green equity financing project of 2025.</li> <li>Served as lead underwriter for five domestic green equity financing (including convertible bond) projects, with an aggregate underwriting amount of RMB 2.51 billion.</li> </ul>	<ul style="list-style-type: none"> <li>Led the underwriting of 145 green bonds with a total underwriting scale of RMB 64,811 million and total financing scale of RMB 383,256 million, including 39 carbon-neutral bonds, with a lead underwriting scale of RMB 22.19 billion and a total financing scale of RMB 35.88 billion.</li> <li>China Securities International participated in and completed 63 overseas ESG bond projects, including 27 green bonds, three blue bonds, 31 sustainable development bonds, and two social bonds, with total financing exceeding USD 19.2 billion.</li> </ul>
Social welfare	<ul style="list-style-type: none"> <li>Completed six social livelihood equity financing (including convertible bond) projects, with a total financing scale of RMB 4,824 million.</li> </ul>	<ul style="list-style-type: none"> <li>Led the underwriting of 13 rural revitalisation bonds, with a lead underwriting scale of RMB 6,213 million and a total financing scale of RMB11,193 million.</li> </ul>

#### Fixed Income Syndicated Distribution Business

Participated in the syndicated distribution of 206 ESG bonds of the National Association of Financial Market Institutional Investors, with a total sales amount of RMB 15,937 million, including 66 bonds in the green low-carbon sector (with a sales amount of RMB 5,962 million) and 140 bonds in the social livelihood sector (with a sales amount of RMB 9,975 million).



## Carbon Finance

CSC incorporates carbon finance transaction management into proprietary investment management, and has established a three-tier decision-making and authorisation mechanism under which the Board makes overarching decisions, the Executive Committee and its Securities Investment Decision-making Committee organises and manages implementation, and the Fixed Income Department undertakes specific execution, thereby promoting the effective implementation of carbon finance-related requirements in investment strategies, risk limits, and trade execution.

On the basis of obtaining domestic carbon emissions trading qualifications in accordance with laws and regulations, the Company focuses on carbon emissions trading and carbon finance services, and uses tools such as bilateral offers, carbon borrowing, and carbon repurchase to enhance market liquidity. Subject to controllable risks, we expand the scope for related business development and support China's 'dual carbon' goals.

### Provide bilateral carbon quota offers

- Starting from 2024, provided round-the-clock bilateral offers in pilot carbon markets in Hubei, Shanghai, and other locations, improving market liquidity and enhancing carbon price stability.
- Supported regulated entities in reasonably assessing emissions costs, reducing the risk of carbon price volatility, and stabilising expectations for production and operations.

### Promote the carbon borrowing transaction business

- Completed the first batch of carbon borrowing transactions (as the borrower) in the Hubei carbon market, and used the borrowed quotas for bilateral offers to support market liquidity.
- While enhancing liquidity, reduced the market volatility risk faced when building our own positions, and deepened our service collaboration with emissions-controlled or emissions-reduction enterprises.

### Actively participate in carbon repurchase transactions

- Completed the first batch of carbon quota repurchase transactions in the Shanghai carbon market, and replicated this experience to complete carbon repurchase in the Hubei carbon market.
- Provided enterprises with short-term funding support, helping to revitalise carbon assets and meet financing needs.

## Continuing to Advance Innovative Carbon Finance Transactions and Enhance Carbon Market Liquidity



CSC continued to provide bilateral offer services in the Shanghai and Hubei carbon markets. In April 2025, we concluded a carbon borrowing transaction in the Hubei carbon market. On the one hand, this enabled enterprises to revitalise their carbon assets and supported their production and operations. On the other hand, the borrowed were actively used to enhance liquidity in the Hubei carbon market, stabilising the carbon market and reducing liquidity risks.

In 2025, we received the Carbon Finance Practice Award from the Shanghai carbon market and the Carbon Finance Innovation Award from the Hubei carbon market. In December of the same year, we were included by the Shanghai carbon market in the list of senior trading entities and became one of the first members of the Hubei Carbon Finance Development Alliance.



Inauguration Ceremony of the Hubei Carbon Finance Development Alliance

### CSC's Quantitative Achievements in Carbon Finance in 2025




Metric	Figures
Total transaction amount of carbon market products in 2025	RMB 9.08 million
Cumulative carbon quota trading volume in 2025	239,500 tonnes

# Responsible Investment

CSC actively practices the concept of responsible investment. With reference to international frameworks such as the United Nations Principles for Responsible Investment, we remain committed to integrating ESG factors into investment processes such as investment research, investment decision-making and post-investment management. We have formulated and issued statement documents such as the *Responsible Investment Statement* and the *Statement on the External Exercise of the Right to Vote*, clarifying the organisational structure, investment strategy and application, investment research, and engagement for responsible investment. This promotes the systematic implementation of responsible investment in our investment business and enhances long-term value creation and risk management capabilities.

To implement the concept of responsible investment, we have established a governance structure with clearly defined responsibilities, coordination, and linkage. This structure is led by the Board and the senior management, with the ESG Committee, the Investment Decision-Making Committee, and relevant investment business departments and subsidiaries established under it to advance the implementation of the relevant requirements at different levels.

CSC's Governance Structure for Responsible Investment

Level	Organisation	Responsibilities
 <p><b>Decision-making and supervisory level</b></p>	Board	<ul style="list-style-type: none"> <li>The Company's highest decision-making and supervisory body for matters relating to responsible investment.</li> <li>Review and decide on the Company's responsible investment-related strategies, policies, and major matters, and supervise the implementation of relevant decisions.</li> </ul>
 <p><b>Management level</b></p>	Senior management (with the ESG Committee and the Investment Decision-Making Committee under it)	<ul style="list-style-type: none"> <li>Conduct specific reviews, overall management, and supervision of responsible investment.</li> <li>Coordinate relevant functional departments and business lines to integrate responsible investment requirements into the Company's operational management and business processes.</li> <li>Track the implementation of relevant strategies and policies across various business lines.</li> </ul>
 <p><b>Executive level</b></p>	Investment-related departments and subsidiaries	<ul style="list-style-type: none"> <li>Clearly designate dedicated personnel to be responsible for product investment research, and drive the effective implementation of relevant requirements in investment research, investment decision-making, and post-investment management.</li> <li>Strengthen cross-departmental and cross-business collaboration by incorporating environmental, social, and governance factors into day-to-day investment management processes, and continuously enhance the robustness of investment decision-making and a long-term value orientation.</li> </ul>

We follow the trend of institutional investors systematically incorporating ESG factors into asset allocation, continue to advance ESG-integrated investment and investment research capability building. By improving our ESG research system and the supply of responsible investment products, we enhance service professionalism and market competitiveness, and cultivate robust business growth potential.

## ⇒ Responsible Investment Strategy

In terms of execution, the Company incorporates ESG factors into the investment business process of 'initial industry screening—investee selection—post-investment management'. It promotes the application of screening, ESG integration, sustainable development thematic investment, impact investment, and active ownership strategies in fixed-income investments, equity investments, and private equity investments.

### CSC's Responsible Investment Process



### CSC's Practices of Responsible Investment Strategies

Responsible Investment Strategy	Equity investments <sup>1</sup>	Fix-income investment	Private equity investment
Screening	✓	✓	✓
ESG integration	✓	✓	✓
Sustainable development thematic investment	✓	✓	✓
Impact investment	✓	✓	✓
Active ownership	✓	✓	✓

Note 1: The Company's equity investments involve listed equity investments in both emerging and developed markets.

## Integrating the ESG Integration Strategy System into Investment Practices



In 2025, in our asset management business, we conducted ESG admission screening based on industry attributes and included industries meeting relevant ESG criteria in the ESG prospective investable universe. We then carried out secondary screening around factors such as target companies' governance structure and fulfilment of social responsibilities, excluding entities that did not meet ESG standards. Finally, we combined indicators such as financial data and market recognition to conduct credit screening, forming a list of investable targets.

In 2025, the Company's bond ESG database covered approximately 932 entities, with an outstanding bond balance of approximately RMB 9.12 trillion. The total investment scale of bonds issued by ESG-related entities and ESG bonds was approximately RMB 57,311 million, and the investment scale of ESG equities was approximately RMB 5,881 million.

In equity investment, the Company focused on industries that support green industrial upgrading and have strong environmental attributes, such as semiconductor equipment, through ESG screening. Taking Piotech as an example, as a leading domestic supplier of semiconductor thin-film deposition equipment, the company boasts outstanding core product technologies that align with the industry's green upgrade and localization development trends. After a comprehensive assessment of its ESG performance and fundamentals, the Company included it in our investment portfolio, achieving substantive application of ESG factors in equity investment decision-making.

In bond investment, the Company actively participated in green bond investments. Taking the green bonds issued by Wuhan Urban Drainage Development Co., Ltd. as an example, the bonds raised RMB 300 million, which were used to refinance the target companies' maturing project loans, and ultimately allocated to urban wastewater treatment projects. The related investment project, the third-phase expansion of the Huangjihu Wastewater Treatment Plant, effectively reduces chemical oxygen demand, ammonia nitrogen, total phosphorus, and total nitrogen levels in urban wastewater, improves water quality, and promotes the resource utilisation of wastewater. The project delivers significant environmental benefits, including an annual reduction of approximately 12,721.17 tonnes of chemical oxygen demand, 3,844.16 tonnes of ammonia nitrogen, 206.98 tonnes of total phosphorus, and 1,861.35 tonnes of total nitrogen.

## China Funds' Responsible Investment ESG Evaluation System Practice



In 2025, China Funds systematically embedded the concept of responsible investment into the investment research and decision-making process, establishing an ESG evaluation system covering environmental, social, and corporate governance dimensions to conduct multi-dimensional and structured analyses of investment targets. Relying on its professional listed company evaluation and investment research system, the company integrated ESG scores with fundamental research, industry analysis, and valuation models to identify the impact of ESG risks on corporate earnings stability and operational resilience, and incorporated the relevant results into the basis for target admission and investment decision-making.

In investment practice, China Funds, centred on the SDGs, focused on strategic positioning in 'dual carbon'-related areas such as new energy, green buildings, and low-carbon transport, as well as thematic investment directions with social value, including inclusive finance, rural revitalisation, and healthcare. At the same time, through positive screening, sustainable thematic investment, and shareholder engagement, the company promoted continuous improvements in ESG governance and information disclosure among invested enterprises, promoting synergy between investment returns and social value.

To enhance the investment teams' professional understanding and practical capabilities in ESG and green investment, the company continued to strengthen ESG capacity building. By introducing peer experience and external perspectives, it promoted the systematic application of ESG concepts in investment, credit rating, and product management.

### Conducting Thematic Exchanges and Internal Training on ESG and Green Investment



In 2025, the Company's investment department invited a number of fund institutions that issue and manage ESG products to conduct thematic exchanges, focusing on sharing product establishment, ESG topic classification, green asset directions, and index compilation methodologies. The exchanges were conducted for investment managers, credit rating personnel, and product line personnel, promoting the integration of ESG concepts into investment, research, and product management. During the reporting period, the Company's investment department organised a total of five ESG-related training sessions, with more than 100 attendees, continuously strengthening the professional foundations for responsible investment.

### ESG Research and Industry Co-creation

We continue to improve our green finance and ESG research framework, with research covering areas such as green finance policy interpretation, green industry trends, carbon finance, ESG investment strategies, and ESG corporate services. By organising and actively participating in industry exchanges related to ESG and sustainable development, we promote experience sharing and collaboration across the industry and actively contribute to the development of the ESG ecosystem.



Liu Cheng, Chairman of CSC and Director of the Executive Committee, Attends the 2025 Sustainability Global Leaders Conference and Delivers a Keynote Speech



CSC Financial Co., Ltd. Hosts the 2026 Capital Markets Summit and China-Saudi Investment Cooperation Forum



China Futures Hosts the Lithium Carbonate Industry Forum in Guangzhou



China Futures Provides Market Insights and Trend Analysis for New Energy Companies



China Capital Management Hosts an Industry Service Exchange Event in Hefei, Anhui



China Capital Management, as the Fund Manager of the Anhui Green Fund, Participates in the 2024 Partners' Conference Exchange Event

The Company continues to promote responsible investment by incorporating green, low-carbon development and social well-being into key investment priorities, and strengthens ESG research support and quantitative management.

### CSC's Key Quantitative Achievements in Responsible Investment in 2025

Metric	Unit	Figures in 2025
Amount of sustainable development thematic investment bonds	RMB 100 million	118.22
Amount of green and low-carbon investment bonds <sup>1</sup>	RMB 100 million	57.52
Amount of social welfare investment bonds <sup>2</sup>	RMB 100 million	60.70

Note 1: This refers to the amount of our investment in bonds in the green and low-carbon sector, covering the energy conservation and environmental protection industry, cleaner production industry, clean energy industry, ecological environment industry, green infrastructure, and green services.

Note 2: This refers to the amount of our investment in bonds in the social welfare sector, covering municipal services (water, transportation, energy, etc.), the healthcare industry, culture and education industry, agriculture and food industry, and poverty alleviation or rural revitalisation.

# Investment and Financing ESG Risk Management

## ↳ Governance

CSC has formulated the *ESG Risk Control Guidelines (Trial)* and the *Investment and Financing Environmental, Social and Governance (ESG) Risk Management Statement (2025 Edition)* and established a sound structure and management system for investment and financing ESG risk management, and continuously enhances investment and financing ESG risk management measures to effectively improve its management capabilities.

CSC's Governance Framework for Investment and Financing ESG Risk Management

Level	Organisation	Responsibilities
<b>Decision-making and supervisory level</b>	Board	<ul style="list-style-type: none"> <li>The highest decision-making body for the Company's investment and financing ESG risk management.</li> <li>Decide on matters such as the Company's ESG risk management strategies and policies, risk management system, internal control arrangements, and the handling of major risk events.</li> </ul>
<b>Management level</b>	Executive Committee (with the Risk Management Committee and the ESG Committee under it)	<ul style="list-style-type: none"> <li>The Executive Committee bears the main responsibility for investment and financing ESG risk management, making general decisions as to the avoidance, controlling, mitigation, or acceptance of ESG risks in accordance with the risk management policies set by the Board. The Executive Committee also formulates and improves the Company's risk management and internal control systems and measures.</li> <li>The Risk Management Committee fulfils risk management responsibilities as authorised.</li> <li>The ESG Committee is responsible for reviewing ESG-related matters, and managing and overseeing the execution of related affairs.</li> </ul>
<b>Executive level</b>	Risk Management Department	<ul style="list-style-type: none"> <li>Establish and improve the Company's management policies for investment and financing ESG risk management, implement policies, identify, assess, monitor, and report ESG risks in various business activities, coordinate and guide business departments in ESG risk management, promote relevant management concepts, and foster a risk management culture.</li> </ul>
	Executive Office	<ul style="list-style-type: none"> <li>Propose ESG risk management objectives in accordance with disclosure rules in the Company's listing jurisdiction and mainstream ESG rating requirements, and track and record the implementation of resolutions made by the ESG Committee.</li> </ul>
	All departments, branches, and subsidiaries	<ul style="list-style-type: none"> <li>Be responsible for their frontline ESG risk management, including integrating ESG principles into business risk management processes, proactively identifying ESG risk factors, monitoring their potential transformation into other risks, strictly adhering to relevant policies and standards, and incorporating ESG risk factors into business decision-making and risk mitigation strategies.</li> </ul>

## ↳ Strategy

The Company places great importance on various ESG risks, identifying major risk factors and incorporating ESG risk management into its comprehensive risk management system. By integrating ESG factors into the risk management processes of investment banking, equity investment, proprietary investment, and securities finance, the Company effectively controls the transformation of ESG risks and avoids negative impacts on operating revenue.

### Analysis of CSC's Risks in Investment and Financing ESG Risk Management and Response Strategies

Type of risks/opportunities	Risk analysis	Impact timeframe	Expected Financial impact	Response strategies
Credit risk	Against the backdrop of regulators' ongoing efforts to strengthen ESG risk identification and look-through management in investment and financing activities, if potential ESG risks are not adequately identified during project screening, due diligence, or the investment research process, the relevant enterprises may experience cash flow pressure as a result of compliance penalties, operational restrictions, or reputational incidents, thereby increasing the likelihood of default.	Short, medium, and long term	Decreased revenue	Continue to strengthen ESG risk identification and due diligence focus in our investment and financing business, and incorporate ESG factors into the investment research analysis and risk assessment processes, thereby reducing the likelihood of ESG risks being converted into credit risks.
Market risk	Against the backdrop of ongoing regulatory strengthening of ESG risk identification and look-through management in investment and financing activities, if potential market-related ESG risks are not adequately identified during project screening, due diligence or investment research, the investee enterprises may suffer declining profitability, rising costs and decreased revenue as a result of tighter policies, changes in market preferences or industry contraction, thereby affecting their share prices or valuations. prices or valuations. prices or valuations.	Short, medium, and long term	Decreased revenue	Incorporate ESG risk factors into the investment research and decision-making process, strengthen monitoring of negative information, and strictly implement stop-loss measures to reduce the impact of ESG risk transmission on portfolio value.

## ↳ Impact, Risk and Opportunity Management

CSC has established an investment and financing ESG risk management process covering ex-ante, in-event, and ex-post stages. Through ex-ante control, monitoring and screening, due diligence, risk assessment, risk reporting, and improvement and enhancement, we systematically identify, assess, prioritise, monitor, and manage ESG-related impacts, risks, and opportunities. In 2025, based on the existing process, we further optimised the relevant procedures around the due diligence mechanism.

## CSC's Investment and Financing ESG Risk Management Process

### Ex-ante control

- Gradually formulate and improve risk policies related to ESG factors to enhance the ability of relevant business departments to identify and manage ESG risks in the ex-ante stage.
- In 2025, we established a recommended list of high ESG risk (climate risk) industries, providing reference and support for the Company's compilation of high-risk industries from the perspective of ESG risks in key industries.
- In principle, we do not grant business access to enterprises with significant ESG risks, and manage and control them through risk policies, concentration management, and other measures.

### Risk monitoring

- All departments, branches and subsidiaries regularly or occasionally monitor ESG risk factors, utilise due diligence, extreme climate monitoring, public opinion monitoring, and other methods to timely identify, alert, report and take responsive actions for ESG risks.
- In 2025, we established a regular monitoring, tracking, and risk assessment mechanism for extreme weather, explored the use of artificial intelligence (AI) tools to enhance the efficiency of monitoring and assessment, and formed monitoring record logs.
- The Risk Management Department conducts independent monitoring of ESG risks and ESG risk investigations, and continuously enhances the ability to perceive and assess ESG risks.

### Due diligence

- Relevant departments, branches, and subsidiaries incorporate ESG factors into due diligence analysis and feasibility studies, with a focus on the material adverse environmental, social, and governance impacts potentially associated with projects or entities.
- In 2025, we prioritised advancing exploratory practices for ESG due diligence, required all business departments to establish ESG due diligence working papers.

### Risk assessment

- Use scenario analysis, sensitivity analysis, and other methods to assess ESG risks, including analysing the likelihood of negative impacts from major ESG risks, the extent of these impacts, and the pathways through which these impacts could occur.
- The Risk Management Department determines the degree of risk impact and prioritises risks based on the evaluation results.

### Risk reporting

- Incorporate ESG risk information into the Company's unified risk reporting mechanism. After identifying trigger events, all departments, branches, and subsidiaries report level by level in accordance with the procedures, timelines, and reporting levels prescribed in the *Risk Information and Reporting Management Measures*, and incorporate such information into the Company's overall risk management and response decision-making.

### Improvement and enhancement

- The Risk Management Department independently assesses the effectiveness and completeness of ESG risk management measures, and urges relevant institutions to make improvements.
- All departments, all branches, and all subsidiaries improve ESG risk management measures in accordance with the Company's requirements.
- For businesses that incur losses due to high ESG risks, strengthen due diligence requirements and improve risk assessment content. Adjust, optimise, and supplement risk control measures to continuously enhance the Company's ESG risk management capabilities.

The Company integrates ESG factors into the due diligence system across all business lines, reflecting ESG due diligence requirements in internal regulatory documents such as the *Guidelines for Sponsorship and Underwriting Due Diligence* and *Securities Financing Department Stock Pledge Repurchase Due Diligence Implementation Rules*. During the conduct of investment business, the Company verifies the performance of ESG responsibilities by investees, analyses the impacts of extreme weather and changes in environmental protection policies, and carefully assesses any adverse ESG factors of investees.

In 2025, the ESG risk reporting mechanism covered all of our business operations, and no business or product triggered the mechanism.

### Key Points of CSC's ESG Risk Management Due Diligence in Its Investment and Financing Business

#### Environmental

- During the due diligence process, business departments focus on whether the target company has any significant compliance issues related to environmental protection. Special attention is given to verifying whether there are major environmental violations, administrative penalties, or ongoing significant litigation due to reasons such as pollutant discharge, waste disposal, or ecosystem damage.
- For projects involving special industries such as agriculture, biodiversity, energy use, climate change, forestry, mining, oil, and natural gas, targeted ESG special verification statements are prepared in the due diligence working papers.

#### Social

- Business departments conduct due diligence on social responsibility issues, including production safety, product quality, employee protection, and customer rights and interests.
  - ▶ In terms of production safety, the due diligence examines whether the target company has experienced any major safety incidents since its establishment and any penalties imposed.
  - ▶ In terms of product quality and customer rights and interests, verification was carried out as to whether any major liability incidents relating to product quality and safety had occurred, or whether serious consequences had arisen due to customer privacy leaks or infringement of customers' legitimate rights and interests.
  - ▶ In terms of employee protection, they investigate whether the target company has violated any laws or regulations in implementing national employment systems, labour protection systems, social security systems, housing systems, and medical security systems.

#### Corporate governance

- During the due diligence process, business departments focus, on whether the target company and its actual controller have been involved in criminal offences such as corruption, bribery, or embezzlement or misappropriation of property, or have been involved in securities fraud, major violations of information disclosure laws and regulations, or other major violations of laws or regulations in areas concerning national security, public security, ecological security, production safety, and public health and safety.
- For IPO issuers, acquirers of listed companies, issuers in refinancing, targets of material asset reorganisations, and companies proposed to be recommended for listing on the NEEQ and their significant subsidiaries, the key focus is to verify whether they have committed any material illegal or non-compliant acts in relation to ESG-related responsibilities.

## CSC's High ESG Risk Industry Due Diligence Practice in Various Business Sectors in 2025

### Bond underwriting

- Strictly controls the bond underwriting amount in sectors with overcapacity and high ESG risks, keeping the scale of such businesses at a relatively low level.
- During the due diligence and business review stages, the focus was on verifying compliance with national industrial policies, regulatory metrics, and environmental protection requirements.
- For 'high energy consumption and high emission' projects, we focused on whether the target company's production operations and investment projects belong to restricted or eliminated industries or outdated capacities, and whether the issuer had legally completed environmental impact assessment procedures and implemented pollutant total reduction and replacement requirements.
- On the premise of controllable risks, for green bonds that failed to meet internal ratings, we moderately relaxed guarantee requirements.

### Fixed income investment

- In bond investment analysis, we incorporated ESG factors into relative value analysis, comparing the target company's ESG bond spread with bonds in the same industry, and incorporating the corresponding credit spread into the investment pricing model.
- In routine bond reviews and credit analysis, we focused on factors such as the target company's corporate governance structure, major decision-making processes, and management stability, and incorporated them into the overall assessment.

### Stock pledge

- During due diligence, we communicated with the financing party and required entities engaged in business operations to provide credit certificates and materials related to regulatory penalties and negative incidents involving violations in the aspects of product quality, production safety, environmental protection, and corporate governance, required entities engaged in business operations involving highly polluting projects to provide project environmental impact assessment documents, and collected first-hand information on environmental assessments, government supervision, and penalties.
- Environmental factors were taken as one of the key concerns of due diligence, which required that the use of funds by the financier should not be invested in industries listed in the catalogue of phase-out industries issued by the relevant national ministries and commissions, including but not limited to:
  - ▶ Agricultural sub-sectors such as pre-planting bromomethane soil fumigation process.
  - ▶ Energy-related sub-sectors, such as fuel boilers for power generation and power generation units.
  - ▶ Mining-related sub-sectors, such as small coal mines that overlap with the plane objection of large coal mine fields.
  - ▶ Petroleum and natural gas sub-sectors that use direct flame high-temperature heating methods for producing oil products, such as still distillation units.
- Starting in 2025, we will gradually incorporate ESG risk assessments into due diligence working papers, and also focus on enhancing risk transparency and post-investment tracking for projects in high ESG risk industries.

### Equity investment

- During the due diligence stage, we focused on verifying whether the target enterprise and its key subsidiaries, controlling shareholder and actual controller had committed any material illegal or non-compliant acts in areas such as environmental protection, production safety, employment, product quality, business ethics, and anti-corruption.
- For projects involving high ESG risk industries, we prudently assessed their environmental, social, and corporate governance-related risks by considering industry characteristics, the direction of national industrial policies, industrial transformation, and potential negative impacts.

## ESG Due Diligence on a Pledge Financing Project involving a Coal Industry Enterprise



In 2025, the Company conducted due diligence on a pledge financing project involving a target company in the coal industry, whose industry classification falls under the Shenwan Coal Industry sector.

During the due diligence process, both the financing entity and the pledged listed company were key pollutant discharge entities, so the Company required them to provide a valid discharge registration receipt for fixed pollution sources. Based on verification of the listed company's latest annual report, no instances of pollutant discharge from production or operation exceeding applicable limits or material discrepancies with the prevailing laws and regulations, and that the company's corporate governance structure was sound governance structure and operates in a standardised manner, and no material violations of applicable laws and regulations were identified.

Based on due diligence, no material ESG risks or other material adverse matters were identified for the project, and the overall risk remained controllable.

Against the backdrop of the continuous advancement of the 'dual carbon' goals and the accelerated transformation of industrial structures, the transmission pathways of climate-related risks in investment and financing activities have become clearer, showing stronger systemic and forward-looking characteristics. Climate change risks have therefore become a key focus in the Company's ESG risk management for its investment and financing business. Based on scenario settings from the internationally recognised NGFS, we ranked the degree of climate impact risk across the 31 Shenwan Level 1 industries, and selected the top 10 sectors most impacted by climate-related risks under various scenarios as recommended high ESG risk (climate risk) industries (for details of the analysis process, please refer to the 'Climate Change Tackling' section of this report).

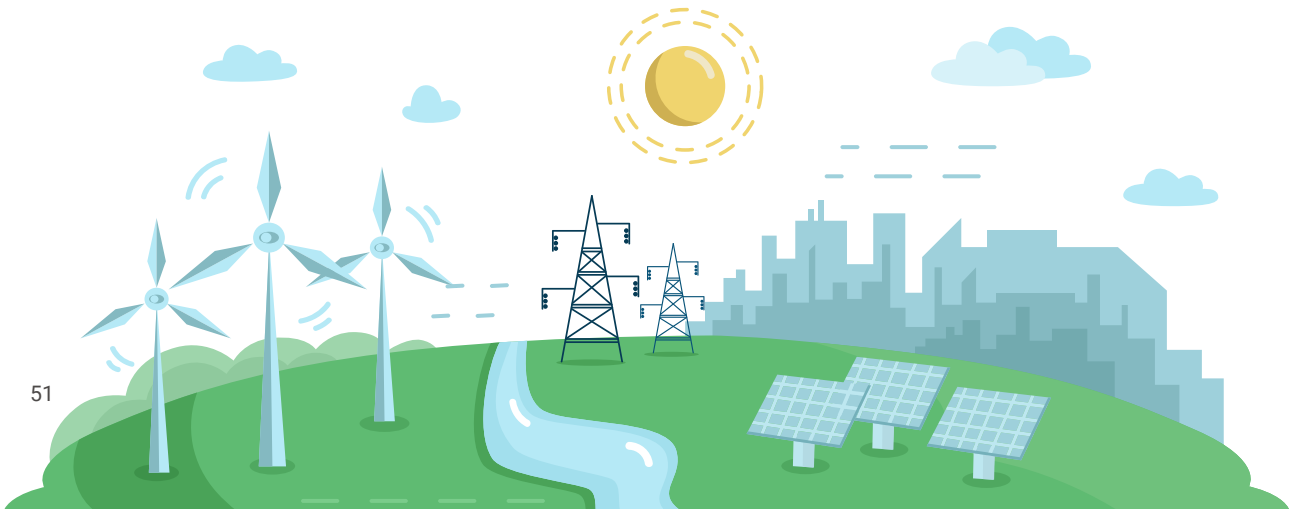
In addition, we continue to enhance our ESG risk management capabilities. In 2025, focusing on climate change risk and ESG risk management, the Company produced and released to all employees two issues of *ESG Risk Management Training Series* risk education reminders, and organised a thematic training session titled 'ESG Risk Management: Turning Concepts into Practice' for the Risk Management Department and the risk management teams of our subsidiaries, promoting the deep integration of ESG concepts with risk management practices and enhancing risk identification and control capabilities.

## ↳ Metrics and Targets

In 2025, CSC focused on advancing the exploration and practice of ESG due diligence and feedback reporting mechanisms. Each business department established relevant due diligence working papers and clarified the reporting mechanism for cases involving material risks.

### CSC's Targets for Investment and Financing ESG Risk Management and Target Achievement

Target	Target achievement in 2025
The Company summarised the pilot experience in ESG due diligence and rolled it out across all business lines, achieving full coverage across all business lines by the end of 2025.	Achieved



## Green Operations

As a financial enterprise, our energy consumption and carbon emissions mainly stem from day-to-day business operations, including the use of electricity, natural gas, and gasoline for Company-owned vehicles. The water we use for daily operations comes from municipal water supplies, which involves no issues in water sourcing. The waste we generate mainly includes non-hazardous waste such as office and kitchen waste, as well as hazardous waste such as discarded electronic products.

The Company strictly complies with the *Energy Conservation Law of the People's Republic of China* and the *Environmental Protection Law of the People's Republic of China*, and other relevant laws, regulations, and provisions. It launched the *Green and Low-carbon Initiative themed Energy Conservation and Carbon Reduction, Together We Move Forward*, integrating the concept of green operations into all aspects of the Company's business and office operations. This includes measures such as standardising resource use management, promoting paperless office, advocating for green travel, advancing the construction of green data centres, and practicing green procurement, all aimed at reducing the Company's carbon footprint and contributing to the construction of a Beautiful China.

Focusing on areas related to office operations and infrastructure operations, CSC systematically identifies the risks and opportunities associated with pollutant discharge, waste disposal, environmental compliance management, energy usage, usage of water resources, and circular economy issues. Through policy implementation, behavioural guidance, and improvements in resource efficiency, we reduce environmental compliance risks and continue to optimise our operating cost structure.

### ↳ Environmental Compliance Management

The Company attaches importance to environmental protection and the establishment of climate risk awareness, and actively promotes environmental public welfare advocacy and various emergency management measures. In 2025, the Company did not have any major environmental issues, did not receive any penalties for environmental violations or experience any environment-related litigation cases.

#### CSC's Routine Environmental Compliance Management Measures and Achievements

##### Environmental awareness promotion

- Regularly organise green advocacy activities combined with important environmental commemoration days to strengthen public and employee recognition of green environmental values, and encourage a low-carbon and environmentally friendly lifestyle.



Public welfare promotional posters for important environmental commemoration da

## ↳ Energy Usage

Energy usage is a core component of operating cost and carbon emissions management in the Company's office areas. By optimising the operation and management of office facilities, improving energy efficiency, and strengthening employees' energy-saving awareness, we have continuously reduced energy consumption intensity and promoted a green, low-carbon, and efficient office operating model.

### CSC's Routine Energy Usage Management Measures and Achievements

Dimension	Measures and achievements	
<p><b>Standardising energy use management</b></p>	<ul style="list-style-type: none"> <li>The Company's headquarters office areas make full use of natural light. Driven by a dual approach of manual patrol inspections and intelligent control, we introduce an intelligent power management system for office areas, and tailor differentiated control solutions for the electricity demand in different areas. LED energy-saving lighting fixtures are installed and energy-saving electricity modes are set. During lunch breaks and after working hours, major lighting equipment is automatically switched off, ensuring that lights are turned off when people leave, preventing lights from being left on, and achieving dual improvements in both electricity efficiency and energy-saving effectiveness.</li> <li>We encourage employees to practice energy conservation, such as turning off unused office computers or setting them to energy-saving mode, and turning off lights when leaving.</li> <li>Low-carbon and environmental factors are fully considered in the Company's headquarters' office area. An intelligent and energy-saving central air conditioning system is adopted, with reasonable temperature limits. When the temperature is above 16 degrees and below 28 degrees, air-conditioning is avoided as far as possible. The air-conditioning is automatically switched off when employees leave the office areas.</li> </ul>	
<p><b>Promoting the construction of green data centres</b></p>	<ul style="list-style-type: none"> <li>Green data centre construction is promoted through infrastructure upgrades such as parallel reconstruction of cooling tower main pipes, installation of variable frequency drives for refrigeration pumps/cooling pumps/cooling towers, chiller group control, IDC room terminal air conditioning and environmental monitoring, computer room rewiring, cold/hot aisle layout for computer room air conditioning, and introduction of an automated energy management and control platform, achieving reduction in energy consumption.</li> </ul>	<ul style="list-style-type: none"> <li>In 2025, the average PUE of the Company's primary leased data centres, located in Dongba, Beijing, was 1.5.</li> </ul>

## ↳ Usage of Water Resources

We regard water resource usage management as an important component of green operations and environmental risk control. In light of our office operations, we continue to advance water-saving office measures. By combining policy guidance, facility upgrades, and employee behaviour management, we standardise the usage of water resources, reduce resource consumption and environmental impacts during operations, and enhance both water usage efficiency and the standardisation of management.

### CSC's Routine Water Resource Usage Management Measures

- The office area at our headquarters uses water-saving faucets to control water flow and water-saving direct drinking water dispensers to replace bottled water dispensers.
- We encourage employees to develop water-saving habits, turn off taps promptly after use, strengthen routine maintenance of water-use equipment, and eliminate waste.

## ⇒ Waste Disposal

The Company takes 'reduction, recycling, and substitution' as guiding principles, and continues to advance waste disposal and management, promoting the transformation of office models towards greener and more digital approaches.

### CSC's Routine Waste Disposal Management Measures and Achievements

- We promote the integrated development of information systems with the OA system at its core, covering business processes including official documents, human resources, finance, archives, brokerage and asset management. A total of 1,010 workflows are carried out on the system, with an average daily increase of 5,576 new workflows, and full coverage is achieved across five subsidiaries, effectively improving approval efficiency and reducing paper use. Office printers are set to double-sided printing by default, and office paper is adjusted from 80 g to 70 g environmentally-friendly recycled paper, reducing raw material consumption per sheet by 12.5%.
- We promote the electronic seal system, covering 30 scenarios such as contract review, seal application, and document issuance, with a cumulative total of more than 100,000 electronic documents signed. We advance the development of a digital archives centre, with 2.10 million archive records filed and approximately 8 million electronic documents stored, achieving centralised archive management and efficient utilisation. In addition, electronic signing for over-the-counter and remote businesses is enabled through the All-in-One Counter system, continuously reducing the use of paper-based materials in operating processes.
- The Company's headquarters canteen promotes the 'Clean Plate Campaign' and organises initiatives such as 'Clean Plate Check-in' and 'Food Saving is Everyone's Responsibility' to encourage employees to take food as needed. Kitchen waste is separately collected and entrusted to qualified catering waste treatment service providers for resource-based treatment, avoiding direct discharge and environmental pollution.

## ⇒ Pollutant Discharge

The Company's pollutants primarily come from exhaust emissions from official vehicles. We continue to promote green travel and manage pollutant discharge reductions, focusing on travel modes, vehicle management, and energy efficiency improvements. By combining policy constraints with day-to-day management, we reduce atmospheric pollutant discharge from our operations.

### CSC's Routine Pollutant Discharge Management Measures and Achievements

- Encourage and practise low-carbon travel concepts, and ensure sound management of official vehicle use. We have put in place clear provisions on the Company's standards for vehicle purchases, service life, the scope of authorised users, and usage scenarios, and prevent any private use of official vehicles.
- Vehicle management files are established, recording mileage, repair records, fuel statistics, etc., to track vehicle energy efficiency and promptly replace high-energy consumption equipment.
- When employees travel for business activities, they are encouraged to use public transportation and develop reasonable route plans based on the number of people, distance from the destination, weather conditions, etc., promoting green commuting.



## ↪ Circular Economy

The Company integrates the concept of a circular economy into our day-to-day operation and management. By standardising procurement management and strengthening the recycling and reuse of office supplies and waste, we promote resource conservation and circular use, reduce the adverse environmental impact of our operating activities, and support the continuous improvement of our green and low-carbon operational system.

### CSC's Routine Circular Economy Management Measures



#### Professional third-party recycling

- For waste office equipment, electronic products, and recyclables, we entrust qualified third-party agencies for standardised recycling and disposal.
- Through centralised recycling and compliant disposal, we promote resource reuse and reduce environmental risks arising from improper disposal.



#### Green procurement

- In procurement activities, we take into account both economic and environmental benefits, and give priority to products and services that meet environmental protection and energy conservation requirements. For detailed management requirements, please refer to the 'Supply Chain Security' section of the report.

## ↪ Green Operations Metrics and Targets

At the headquarters level, the Company sets three-year environmental management targets and monitors them, and is committed to promoting green development to effectively reduce the negative environmental impact of our operations. In 2025, the Company's greenhouse gas emissions per unit area, electricity consumption per unit area, and waste generation per unit area at the headquarters have all achieved the targets.

### CSC Headquarters-Level Environmental Targets and Target Achievement in 2025

Metric	Target	Target achievement in 2025
GHG emissions per unit area (Scope 1 + Scope 2) (tCO <sub>2</sub> e/m <sup>2</sup> )	A decline in 2025 compared with 2022	Decreased by 31.10% compared with 2022, achieving the established target.
Electricity consumption per unit area (MWh/m <sup>2</sup> )		Decreased by 29.01% compared with 2022, achieving the established target.
Water consumption per unit area (tonnes/m <sup>2</sup> )		Increased by 14.12% compared with 2022 <sup>1</sup>
Amount of non-hazardous waste generated (tonnes)	Limit the amount of waste generated to a low level	255.21
Amount of hazardous waste generated (tonnes)		9.81

Note 1: In 2025, due to the relocation of China Fund Management Co., Ltd., China Capital Management Co., Ltd, and China Securities Investment Co., Ltd to the former headquarters office premises, the water consumption of subsidiary employees was consolidated into the headquarters' reporting scope, while the floor area of the Company's headquarters remained unchanged. As a result, water consumption per unit area at the headquarters increased compared with 2022. Going forward, we will further strengthen water management, continuously promote the upgrading of water-saving facilities and the development of a water conservation culture, and improve water resource utilisation efficiency.

# Ecosystem and Biodiversity Protection

CSC's own office and operational activities do not involve ecologically sensitive areas, nature reserves, or other ecological red-line zones.

We incorporate ecosystems and biodiversity into our overall management framework. On the one hand, in our investment and financing and asset management businesses, we focus on project site selection, ecological impacts, and restoration responsibilities, preventing related risks from being transmitted into credit risk and asset impairment. On the other hand, through rural revitalisation and community public welfare initiatives, we support ecological restoration and improvements to the natural environment, and proactively fulfil our social responsibilities.

## Operating the 'Biodiversity' Asset Management Product



The 'Biodiversity' product refers to the China Securities Xinyin Diversity No. 1 Single Asset Management Programme. Innovatively themed around a green environmental protection index. In response to the call for green finance under the 'Five Major Areas', we enhanced our green finance service capabilities while serving customers, thereby helping to promote the green and low-carbon transition of the economy. The product's outstanding scale during its term was RMB 516 million.

## CSC's Ecosystem and Biodiversity Protection Public Welfare Initiative

- The Company actively fulfilled its social responsibilities through green public welfare initiatives and ecological care actions. During the reporting period, it organised over 80 young employees to participate in a voluntary tree-planting activity at the Changyang Farm Training Base in Fangshan District, Beijing, providing practical support for ecosystem restoration and green development.
- Around the International Day for Biological Diversity, the Company carried out thematic publicity and public advocacy activities, promoting the concept of 'Coexistence of All Life, Harmony and Sustainability', and enhancing employees' and the public's awareness of biodiversity conservation.
- The Company continued to advance its 'Environmental Public Welfare Action' volunteer service, organising employees to take part in actions such as litter clearance in parks. These efforts aim to improve the urban ecological environment and contribute to building a harmonious society where humans and nature coexist.



Promotional poster for the International Day for Biological Diversity

# 02

## Social

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Focusing on the 'Five Major Areas' to Serve the High-Quality Development of the Real Economy

Responsibility and Commitment, Collaborating with Partners to Create a Blueprint Together

Improving Financial Services and Rights Protection through Refined Operations Management





# Focusing on the 'Five Major Areas' to Serve the High-Quality Development of the Real Economy

CSC anchors to the goal of building a first-class investment bank and plans and deploys around the 'Five Major Areas' of finance. We coordinate and advance technology finance, green finance, inclusive finance, pension finance, and digital finance, continue to leverage our strengths in comprehensive financial services, and enhance the overall quality and efficiency of serving the real economy. Through high-quality financial development, we support high-quality economic and social development and contribute to building China into a financial powerhouse.

## Issues responded:

Supporting the real economy

## SDGs responded:



# Supporting the Real Economy

## ↳ Governance

CSC has established a governance structure for serving the real economy, under which the Board makes decisions and exercises oversight, the senior management organises and advances implementation, and relevant departments carry out specific actions, thereby promoting the implementation at the Company level of requirements related to the 'Five Major Areas' of finance.

CSC's Governance Structure for Supporting the Real Economy

Level	Organisation	Responsibilities
<b>Decision-making and supervisory level</b>	Board	<ul style="list-style-type: none"> <li>Lead the work to serve the real economy, with boosting the development of the 'Five Major Areas' of finance at the core, and make decisions on and supervise relevant major matters.</li> </ul>
<b>Management level</b>	The Company's General Manager leads the establishment of a dedicated team to promote the 'Five Major Areas' of finance.	<ul style="list-style-type: none"> <li>Organise and advance work related to the 'Five Major Areas' of finance, specify the leading department and participating departments for each area, and ensure strategic leadership and overall coordination.</li> </ul>
<b>Executive level</b>	All departments, branches, and subsidiaries	<ul style="list-style-type: none"> <li>Implement work related to supporting the real economy in a concrete manner in accordance with the division of responsibilities, and incorporate the relevant requirements into daily operations management and business activities.</li> </ul>

## ↳ Strategy

In line with the overall national requirements for advancing the 'Five Major Areas' of finance and serving the real economy, CSC strategically grasps the trend of continued growth in financing and comprehensive financial services demand from real-sector enterprises, incorporates relevant market opportunities into its overall development blueprint, and coordinates efforts to advance product innovation and optimise service models, thereby promoting deep synergy between financial services and the development of the real economy.

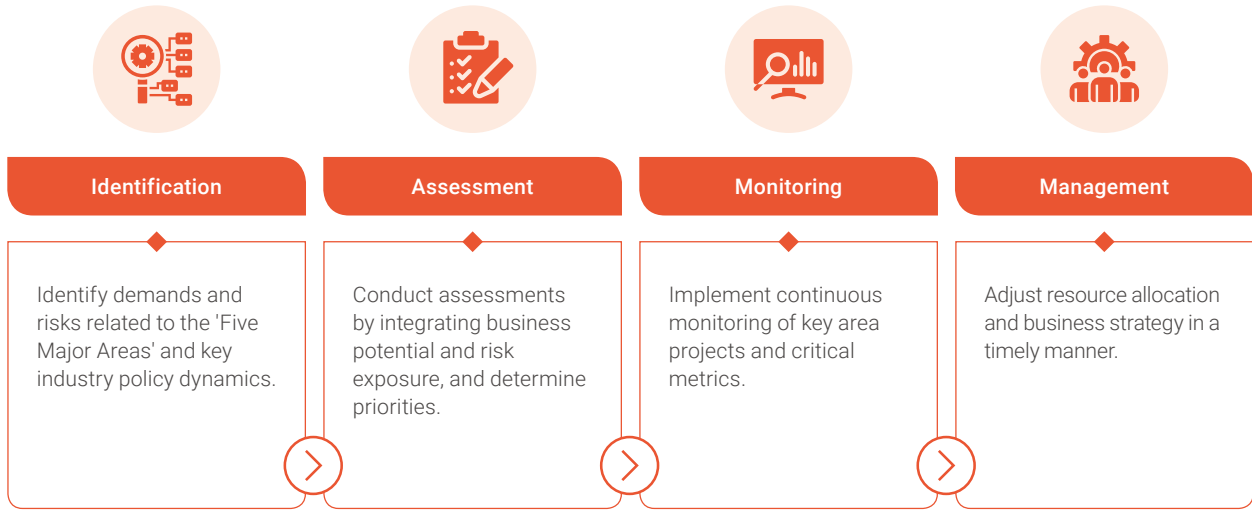
Analysis of CSC's Opportunities in Supporting the Real Economy and Response Strategies

Type of risks/opportunities	Opportunities	Impact timeframe	Expected Financial impact	Response strategies
Market opportunities	Against the backdrop of the ongoing advancement of the 'Five Major Areas' of finance, real economy enterprises have continued to release financing demand in areas such as technological innovation, green transformation, and industrial upgrading. Leveraging our integrated service capabilities across equities, bonds, mergers and acquisitions and restructuring, asset securitisation, and domestic and overseas markets, we seize market opportunities to provide multi-tier financial support to real economy enterprises, helping drive high-quality development.	Short, medium, and long term	Increased revenue	The Company seizes the product and service opportunities brought by the 'Five Major Areas' of finance, leverages its strengths in comprehensive financial services, enhances the quality and effectiveness of services for the real economy, promotes revenue growth, and achieves coordinated development of social value and commercial value, injecting sustained momentum into high-quality development.

## ↳ Impact, Risk and Opportunity Management

The Company has established a closed-loop mechanism encompassing identification, assessment, prioritisation, monitoring and management for impacts, risks, and opportunities related to supporting the real economy, promoting the integration of management requirements into business decision-making and frontline implementation.

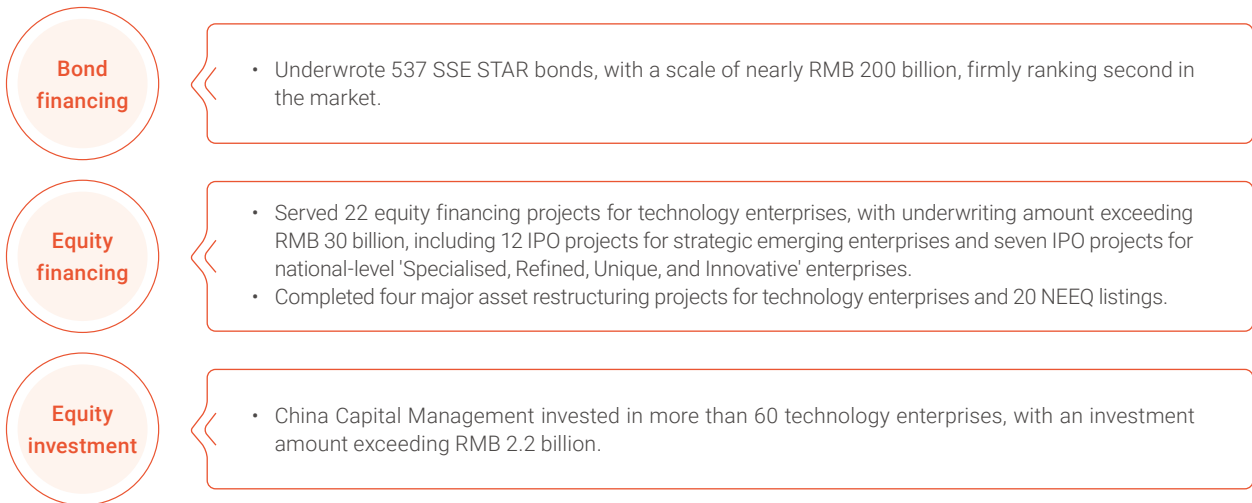
### CSC's Risk Management Process for Supporting the Real Economy



## Technology Finance

In 2025, we provided in-depth services to the national innovation system, offering technology enterprises comprehensive financial solutions covering their entire life cycle.

### CSC's Highlights and Achievements in Technology Finance in 2025



### Serving the Issuance of Advanced Manufacturing Industry Cluster Sci-Tech Innovation Corporate Bonds



In November 2025, CSC, as the lead underwriter, bookrunner, and trustee, assisted Xuzhou Guosheng Holdings Group Co., Ltd. in successfully issuing Jiangsu's first, the first among municipally owned SOEs, and one of only two nationwide advanced manufacturing industry cluster sci-tech innovation corporate bonds on the SSE. This bond had a term of five years, a coupon rate of 2.30%, and an oversubscription ratio of 2.97 times.

The proceeds were contributed through a sci-tech innovation fund and were earmarked to support the development of advanced manufacturing and innovative industries, including high-end equipment and intelligent manufacturing, new energy, integrated circuits, and green and low-carbon sectors. It supports the development of innovation industry clusters in the Huaihai Economic Zone, facilitates the transformation and upgrading of traditional industries, and fosters the development of strategic emerging industries, demonstrating the effectiveness of our practice in leveraging financial strength to support sci-tech innovation and high-quality regional development.

### Supporting ICBC in Issuing Technology Innovation Bonds



In May 2025, CSC acted as the bookrunner and lead underwriter, supporting the successful issuance of the 2025 technology innovation bonds by Industrial and Commercial Bank of China Limited. The bonds had a 3-year term, a total scale of RMB 20 billion, an issuance rate of 1.65%, and an oversubscription ratio of 2.8 times.

This project is one of the largest technology innovation bond issuances among the first batch of issuances. The proceeds are used to provide loans in the field of technological innovation, supporting the development of technology innovation businesses and contributing to the construction of the 'Tech Sector' and multi-level bond markets.

## Green Finance

In 2025, we took green finance as an important focus in serving the real economy and, in line with the national direction for the green and low-carbon transition, continued to guide financial resources towards clean energy, energy conservation and environmental protection, green infrastructure, and related industry sectors.

### CSC's Highlights and Achievements in Green Finance in 2025

<b>Sustainable financing</b>	<ul style="list-style-type: none"> <li>We built an integrated green financing service system combining equity and bonds, cumulatively completed domestic and overseas green equity financing equivalent to nearly RMB 40 billion, served as lead underwriter for 145 green bonds, with a underwriting amount reaching RMB 64.811 billion, effectively revitalising capital flows in the green industry.</li> </ul>
<b>Green investment</b>	<ul style="list-style-type: none"> <li>China Capital Management cumulatively invested in seven green projects, with investment amounting to RMB 300 million, providing capital support to green enterprises and promoting innovation in green technologies and their industrial application.</li> </ul>
<b>Carbon finance</b>	<ul style="list-style-type: none"> <li>We carried out carbon quota trading in Shanghai, Hubei, and other regions. As of 2025, the cumulative trading volume reached 239,500 tonnes, with an amount exceeding RMB 9.08 million, providing liquidity to the market.</li> </ul>

For specific management mechanisms and business practices related to green finance, please refer to the 'Sustainable Financing', 'Carbon Finance', and 'Responsible Investment' sections of this report.

## Inclusive Finance

Anchored in wealth management business, we integrate the professional capabilities of investment banking, asset management and other functions to build a comprehensive service system covering retail investors and extending to rural and agricultural sectors. In 2025, we took serving innovative small and medium-sized enterprises (SMEs), and 'Specialised, Refined, Unique, and Innovative' enterprises as our core mission and strategic priority, helping SMEs achieve leapfrog development through the capital market.

### CSC's Highlights and Achievements in Inclusive Finance in 2025

#### Empowering innovative SMEs

- Since the establishment of the BSE, we had cumulatively sponsored 28 enterprises for listing on the BSE, with financing amounting to RMB 6.4 billion. Both indicators ranked first in the market.

#### Supporting coordinated regional development

- The Company acted as the lead underwriter for 13 rural revitalization bonds, with an underwriting amount of RMB 6,213 million, providing stable financial support for major agricultural and rural projects.
  - ▶ Sheneng Co., Ltd.'s Carbon Neutral Green Technology Innovation Rural Revitalisation Perpetual Corporate Bonds: Empowering rural revitalisation through green technology, and supporting clean energy enterprises in driving economic development in western China.
  - ▶ Lishui State-owned Capital's Rural Revitalisation/Revolutionary Base Medium-term Notes: Contributing financial strength to support the economic revitalisation of revolutionary bases in Zhejiang Province.

#### Serving citizens' wealth management

- Accelerating the development of inclusive finance centres: We built an AI-driven and centralised service system, established a structure of one Head Office inclusive finance centre plus three regional sub-centres, covered 6.16 million retail investors, and provided operational guidance 360,000 person-times.
- Enriching the product matrix of investment advisory services: The total number of online investment advisory products reached 160, with cumulative customer services totalling 240 million person-times. Both the breadth and depth of investment advisory coverage were enhanced, precisely matching customers' diversified investment needs.
- Innovating the 'Smart + Human' dual-drive service mechanism: We improved the accuracy in identifying service needs and response efficiency, and the Youwen online consultation platform answered approximately 3.53 million customer enquiries.

#### 'Insurance + Futures' agricultural products OTC options

- A total nominal principal of RMB 2,379 million was deployed in 'Insurance + Futures' and agricultural products OTC options, effectively ensuring stable income for farmers and agricultural operators.

### Sponsoring and Underwriting Honghai Technology's Successful Listing on the BSE



In February 2025, Wuhan Honghai Technology Co., Ltd. (Honghai Technology) was successfully listed on the BSE, with the stock code 920108. CSC acted as the sponsor and lead underwriter for this listing project.

Honghai Technology is a national high-tech enterprise. It was rated by the Wuhan Science and Technology Bureau as the Wuhan Municipal Enterprise Technology R&D Centre, and was recognised by the Department of Economy and Information Technology of Hubei Province as a Hubei Province 'Specialised, Refined, Unique, and Innovative' Little Giant enterprise in 2021. The project implements national strategies and regional plans, provides high-quality comprehensive financial services to quality enterprises in Hubei Province, and makes new contributions to the comprehensive advancement of high-quality economic development.

## Serving POWERCHINA in Issuing China's First Interbank REITs for Rural Revitalisation and Supporting the Large-Scale Development of Western China



In December 2025, CSC, as a participating institution in the project, supported Power Construction Corporation of China (POWERCHINA) in successfully issuing China's first interbank REITs for rural revitalisation and supporting the large-scale development of Western China.

This project was based on existing real estate held and operated by POWERCHINA as the underlying assets. Through real estate securitisation, the project revitalised existing assets and introduced social capital to participate in the construction and operation of infrastructure, thereby expanding financial support pathways for rural revitalisation and the large-scale development of Western China. During project advancement, CSC focusing on the operation of infrastructure assets, cash flow stability, and compliance requirements, the product structure design and issuance implementation were completed.

## Pension Finance

In 2025, we actively participated in the development of pension finance, and established a pension finance system of 'products + ecosystem + services', balancing professionalism with warmth.

### CSC's Highlights and Achievements in Pension Finance in 2025

#### Innovating financial products for elderly care services

- Developed the Jiaxin series of products in the field of pension finance, which were distributed through CSC's proprietary channels and bank channels, with 17 products outstanding. Participated in the entrusted investment management business for commercial pensions of pension insurance companies, and established 7 new entrusted management products for commercial pensions in 2025.

#### Establishing a benchmark for pension-themed bonds

- Assisted Hubei Culture Tourism Group in issuing China's first debt financing instrument precisely designated for use in the elderly care industry.
- Assisted Chengdu Jiaozi Financial Holding Group in successfully issuing China's first pension-themed corporate bond.

#### Comprehensive layout of publicly offered pension FOFs

- Distributed a total of 308 publicly offered individual pension fund products, achieving a coverage rate of 100%.

#### Senior-friendly services

- The senior-friendly version of the Qingting Dianjin app has cumulatively served 180,000 user visits, with a satisfaction rate of over 95%, effectively safeguarding the rights and interests of elderly investors and effectively addressing the 'digital divide'.

#### Upgrading professional service capabilities

- Independently developed a professional analysis system for pension funds and a professional analysis system for pension funds, covering all asset classes, and providing comprehensive support to local occupational annuities, large state-owned enterprise annuities, and annuity investment managers.

## Supporting the Issuance of China's First Pension-Themed Corporate Bond



In June 2025, CSC, as the lead underwriter, supported Chengdu Jiaozhi Financial Holding Group Co., Ltd. in successfully issuing China's first pension-themed corporate bond on the Shenzhen Stock Exchange (SZSE), marking an important breakthrough in product innovation and practice in China's pension finance bond market.

The proceeds raised from this bond will be invested, via the target company's subsidiaries, into projects related to the pension sector, and will be used to support the construction and operation of a number of nursing homes, health and wellness care centres, and pension industry parks in Sichuan Province. Upholding our purpose of providing financial services to the real economy, CSC actively supports pension finance and the 'Five Major Areas'. By establishing a connectivity pathway between bond financing and the pension industry, we provide a replicable and scalable practical model for the deep integration of regional development and pension finance.

## Digital Finance

In 2025, the Company deepened its 'Digital Finance' strategy and fully implemented the 'AI+' initiative to comprehensively empower its business operations. Through technological innovation, we significantly enhanced service effectiveness and operational efficiency. Throughout the year, 104 AI application scenarios were launched, and the total number of AI API calls exceeded 1.5 billion.

### CSC's Highlights and Achievements in Digital Finance in 2025

 <p><b>Innovative applications</b></p>	<ul style="list-style-type: none"> <li>• The Institution Connect one-stop integrated trading platform recorded a cumulative subscription amount exceeding RMB 150 billion, nearly quadrupling compared with 2024.</li> <li>• Leveraging a multimodal large model, we built an intelligent futures service platform that connects the entire futures business chain, significantly improving review efficiency by more than 200%.</li> <li>• We established an all-channel, ultra-converged intelligent communications middle platform, enabling stable processing of massive volumes of messages, connecting 150 business systems, and providing services to customers more than 20 million times cumulatively.</li> </ul>
 <p><b>R&amp;D awards</b></p>	<ul style="list-style-type: none"> <li>• We continued to increase investment in R&amp;D resources, and won more than 50 financial technology awards during the year, with our intellectual property reserves continuing to expand:                         <ul style="list-style-type: none"> <li>▶ Received six Financial Technology Development Awards from the People's Bank of China, including one First Prize, three Second Prizes and two Third Prizes.</li> <li>▶ Received one Outstanding Research Project Award in the 2024 Key Research Projects organised by the Securities Association of China.</li> <li>▶ Received four Outstanding Industry Collaborative Research Project Awards from the Shanghai Stock Exchange.</li> <li>▶ Completed four annual research projects of the Shenzhen Stock Exchange.</li> </ul> </li> </ul>

The Company also advances its financial technology by upgrading digital infrastructure, enhancing data governance, and improving system collaboration, comprehensively boosting business empowerment, security assurance, and the quality and efficiency of digital operations. For specific management mechanisms and business practices related to digital finance, please refer to the 'Innovation-driven' and 'Ethics of Science and Technology' sections of this report.

## ↔ Metrics and Targets

In 2025, we closely followed the deployment of the 'Five Major Areas' of finance, continued to increase financial support for the real economy, fully leveraged our professional strengths in investment banking, and strengthened the provision of financing and comprehensive financial services around key industries and critical areas.

Throughout the year, the Company completed 33 equity financing projects and 5,131 bond financing projects, with an underwriting amount of RMB 91,773 million for equity financing and RMB 1,733,490 million for bond financing, with a total underwriting amount of RMB 1,825,263 million and a total project financing amount of RMB 13,563,240 million. Through equity and debt financing and other means, we effectively guided financial resources to be channelled precisely into key projects in the real economy, helping enterprises optimise their financing structures, reduce financing costs, and promote the high-quality development of the real economy.

# Responsibility and Commitment, Collaborating with Partners to Create a Blueprint Together

CSC upholds responsibility and commitment by integrating the people-oriented development philosophy and corporate citizenship responsibilities into our corporate governance and business practices, and continues to build a sustainable development ecosystem featuring synergy and shared progress. Focusing on key areas such as employees, supply chain security, rural revitalisation, and social contributions, we coordinate the advancement of institutional development and action implementation, strengthening responsibility fulfilment and resource integration. Through close collaboration with employees, suppliers, and all sectors of society, we continuously expand pathways for shared value creation, jointly charting a long-term blueprint for high-quality and sustainable development.

## Issues responded:

Employees, supply chain security, equal treatment to small and medium-sized enterprises, rural revitalisation, contributions to the society

## SDGs responded:



# Employees

CSC primarily employs staff under labour contracts and, in accordance with the law, uses labour outsourcing for certain tasks. During the reporting period, no part-time employment was involved.

## ↳ Governance

The Company strictly complies with laws and regulations including the *Labour Law of the People's Republic of China* and *Labour Contract Law of the People's Republic of China*. With a focus on matters such as employee recruitment and employment, rights and benefits, and training and development, we have established an employee issue management system aligned with our corporate governance structure, and incorporated employee-related management requirements into our policy framework and day-to-day business operations.

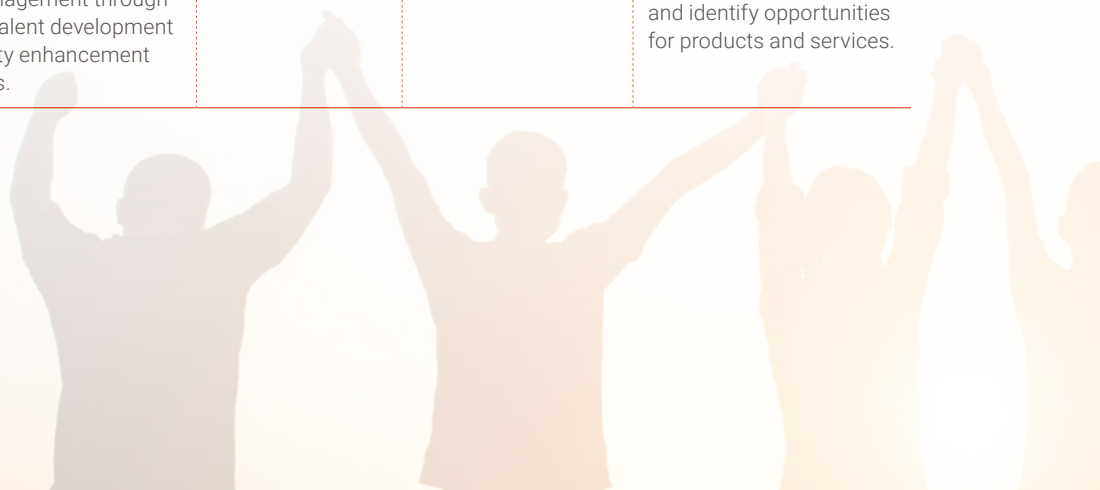
The Company has established a governance structure for employee-related issues in which the Board coordinates overall decision-making, the Executive Committee organises and advances implementation, functional departments collaborate on execution, and hiring units ensure specific implementation. Responsibilities and divisions of duties at each level are clearly defined to ensure that employee management is conducted in a standardised and orderly manner. In terms of specific division of responsibilities, employee recruitment and employment are led by the Human Resources Department, and advanced in collaboration with the Brokerage Business Management Committee; employee rights, benefits, and welfare are jointly managed by the Company's Labour Union and the Human Resources Department; training and development are centrally organised by the Training Centre of the Human Resources Department. Meanwhile, the Brokerage Business Management Committee and the Investment Banking Business Management Committee, in line with the characteristics of their respective businesses, organise and carry out specialised training for their respective business lines, thereby establishing an employee management mechanism that combines unified management across the Company with differentiated implementation across business lines.

## ↳ Strategy

Employees' professional competence and organisational effectiveness have become an important foundation affecting the quality of financial product supply and service competitiveness. Focusing on employee capability development, we systematically assess at the strategic level how this supports product innovation, service enhancement, and operational quality and efficiency, and identify the resulting development opportunities for products and services.

### Analysis of CSC's Employee-related Opportunities and Response Strategies

Type of opportunities	Opportunities	Impact timeframe	Expected Financial impact	Response strategies
Product and service opportunities	Against the backdrop of intensifying industry competition and continuously rising demand for specialised services, the Company strengthens employees' professional capabilities in roles such as investment research, investment banking, brokerage, and risk management through systematic talent development and capability enhancement programmes.	Short, medium, and long term	Increased revenue	Based on the guiding philosophy of 'systematic coordination, enhanced empowerment, and improved quality and efficiency', we build a first-class talent pipeline to empower our business, and identify opportunities for products and services.



## ⇒ Impact, Risk and Opportunity Management

CSC focuses on organisational effectiveness and talent team development, coordinates and advances the establishment of institutions at all levels and the review of functions, and continues to integrate and optimise the organisational structure. We also strengthen the coordinated management of the cadre pipeline, focus on consolidating the development of the talent reserve within the pipeline, and systematically advance the development of key positions and core talent teams. On this basis, we reshape our performance assessment philosophy, comprehensively optimise the performance assessment and incentive system, and accelerate the digital transformation of human resources management, continuously enhancing the efficiency of human resource allocation and the quality and effectiveness of management.

### Employee Recruitment and Employment

The Company adheres to the principle of 'both virtue and talent, prioritising virtue, talent from all over, employing people based on merit, career first, and fairness'. It has updated management systems such as the *Recruitment Management Measures* and actively promotes the creation of a diversified talent team.

Additionally, the Company actively expands recruitment channels, utilising social media, professional recruitment platforms, campus recruitment, internship programmes, and other methods to attract excellent talent from diverse backgrounds. It promotes talent exchange and dynamic management of talent reserves, ensuring that suitable candidates can be quickly matched when needed. In 2025, we recruited 702 new employees, including 146 through campus recruitment. Meanwhile, the Company continued to implement its internship programme for 2026 graduates.

#### CSC's 'Building the World, Investing in the Future' Internship Programme



The Company continuously runs the "Building the World, Investing in the Future" internship programme for university graduates. The programme covers key cities such as Beijing, Shanghai, Guangzhou, Shenzhen, Hangzhou, Nanjing, and Xi'an, as well as branch offices across 30 provinces, offering 85 positions at the headquarters and two major categories of positions at branch offices. The programme is designed to enhance the employability and professional competence of young students who are about to enter the workplace and build a bridge from campus to the workplace.

Since the launch of this year's internship programme, the Company has accepted more than 2,800 students for internships, providing a high-quality platform and development opportunities for young students to enhance their professional capabilities and accumulate workplace experience.

The Company follows the principle of mutual respect, fairness, and impartiality in the recruitment process. It strictly prohibits any discrimination based on gender, race, ethnicity, etc., during the recruitment process, focuses on employee diversity, and continuously advances recruitment and absorption of ethnic minority students, people with disabilities, and veterans. The Company also firmly prohibits the hiring of child labour and forced labour and ensures no deposits or retention of ID cards are required from employees during employment. It enforces strict working hour management to prevent violations of labour laws.

In 2025, the Company recorded no incidents of child labour or forced labour violations or major labour disputes.



## Employee Rights and Benefits

The Company has established and continually improved management systems such as the *Employee Welfare Management Measures* and the *Allowance and Subsidy Management Measures* in compliance with relevant laws and regulations. These measures clearly define employee rights and interests, the names of compensation and welfare programmes, their scope of application, determination procedures, distribution standards, and supervision management, thus establishing a comprehensive welfare system for all employees.

### CSC's Employee Rights and Benefits Protection Measures and Achievements in 2025

#### Employee rights and interests

- Pay basic medical insurance, unemployment insurance, maternity insurance, work-related injury insurance, basic pension insurance, and the housing provident fund for all employees on time and in full.
- Ensure that employees are entitled to statutory public holidays, securities market holidays, paid annual leave, mandatory leave, personal leave, sick leave, work-related injury leave, marriage leave, bereavement leave, maternity leave, childbirth leave, paternity leave, prenatal examination leave, family planning leave, breastfeeding leave, childcare leave<sup>1</sup>, nursing leave and other types of leave.
- Provide all permanent employees with enterprise annuity, workplace meals, supplementary medical insurance, and supplementary bereavement benefits, and employees in financial difficulty with special subsidies, as well as health check-ups for all employees and semi-annual check-ups for female employees aged 35 and above.

#### Employee Care

- Establish a sound system of employee care and welfare that includes a variety of activities, including holiday greetings, employee birthday celebrations, marriage and childbirth congratulations, condolences for serious illnesses and deaths, retirement farewells, assistance for employees in need, support for the education of employees' children, etc. In 2025, the Company extended care to 87 employees in difficulty, with a total amount of over RMB 427 thousand.

#### Employee activities

- Organised a wide range of offline cultural and sports activities: organised large-scale walking events, choral competitions and employee fitness activities for all employees; organised a Family Open Day themed "Entering CITIC Tower", social networking events for single young employees, the "Building Dreams in China, Rendezvous in Beijing" series of cultural activities, as well as basketball, badminton and table tennis competitions for employees in Beijing; and organised club activities (a total of 64 clubs), the "Walking in Beijing, Healthy You and Me" series of activities, and reading activities by the headquarters trade union, so as to promote work-life balance among employees.
- Organised various online cultural and sports activities through the points redemption platform: organised poetry competitions, cooking showcases, photography activities, singing activities, audiobook programmes on corporate WeChat, chess and card activities, and sports meetings for all employees, so as to increase employee participation and enhance inclusiveness.
- Organised various employee skills competitions benchmarked against the "Yangfan Cup", building a platform for employees to develop their capabilities, sharpen their skills and showcase their talents.
- Distributed movie tickets to all employees and organised offline group movie-viewing activities.
- Launched the "Reading Corner" and "Mental Health" sections on the "Staff Home" platform on corporate WeChat, providing employees with reading, audiobook and psychological counselling services.

#### Women's care

- Organise cultural and sports activities for International Women's Day and Children's Day to enhance employee cohesion and happiness, promoting family harmony.
- Establish maternity care rooms and nursing rooms to provide comfortable rest areas and private, safe, and hygienic breastfeeding spaces for nursing female employees and ensure women employees receive special protections during their 'five critical periods'.
- Collect and help fulfil the small wishes of female employees in difficult situations.

Note 1: Employees who give birth in accordance with applicable regulations are entitled to 5 working days of childcare leave per year before each child reaches the age of three, calculated based on the child's full years of age. The number of childcare leave days may be accumulated according to the number of children under the age of three. Employees are entitled to such leave in accordance with the policies applicable in their place of work.

## International Women's Day Activities



During the 2025 International Women's Day on 8 March, the Company's labour union organised a series of activities to care for female employees. Through an online showcase of personal achievements and offline book-sharing sessions, handmade fragrance blending, and other formats, the activities enriched female employees' spiritual and cultural lives. The event attracted more than 4,500 female employees to participate in the online showcase, while more than 300 employees took part offline in the book-reading and handicraft experience sessions. The activities focused on health management, emotional adjustment, and stress relief, aimed at fostering an inclusive, friendly, and supportive workplace atmosphere and reflecting the Company's continued attention to the physical and mental well-being and diverse development of female employees.



International Women's Day Activities

The Company places great emphasis on the construction of a democratic management system and continuously implements a mechanism centred on the employee representatives' congress, ensuring employees' rights to information, participation, expression, and supervision, establishing a communication bridge between employees and the Company.

The Company actively expands the scope and methods of democratic management, enriches the forms of participation, and continuously improves the democratic management system, thereby increasing employee satisfaction and driving sustainable development.

### CSC's Democratic Management Measures and Outcomes

#### Democratic participation

- Employee representatives' congress meetings and labour union standing committee meetings were held.
- In 2025, a total of one employee representatives' congress meeting, three joint meetings of the employee representatives' congress, and seven labour union standing committee meetings were convened. The Company's employee representatives' congress reviewed and voted on the appointment and removal of employee representative supervisors of the Supervisory Board and matters relating to the election of employee directors, and reviewed and approved the relevant management systems.

#### Democratic expression

- A 'Suggestions and Proposals' column was opened on the 'Staff Home' platform to collect opinions and suggestions from employees, with key resolutions and decisions of the employee representatives' congress publicly disclosed.
  - ▶ Conducted annual employee satisfaction surveys to understand employees' perceptions and satisfaction levels, collecting feedback on Company operations to optimise management practices and improve employee satisfaction.
  - ▶ In 2025, 10,778 employees participated in the suggestion collection activity, contributing ideas to the Company's high-quality development.

Additionally, the Company continuously strengthens the safety management system, conducts regular annual health check-ups, provides supplementary medical insurance for employees, and organises health and safety themed lectures and training, and ensures the life, health, and safety of its employees. As a financial services company, there are no significant occupational health hazards, and no major safety incidents resulting in serious injury or death occurred in 2025.

### CSC's Employee Health and Safety Protection Measures

#### Enhancing safety management

- Hold safety prevention work meetings to thoroughly study and implement the holistic approach to national security and important instructions on strengthening workplace safety, enhance safety awareness, and improve safety prevention measures.
- Organise safety training for all employees and provide safety training for new employees to ensure safety accountability is embedded across all levels of the Company.
- Strengthen our physical, technical, and fire protection construction efforts, enhance accountability, and make regular safety inspections. Conduct fire and electricity safety inspections in all office and business areas every month, and clear obstructions timely to ensure fire exits remain unblocked. Arrange for property management and security personnel to carry out fire emergency drills.

#### Improving medical care

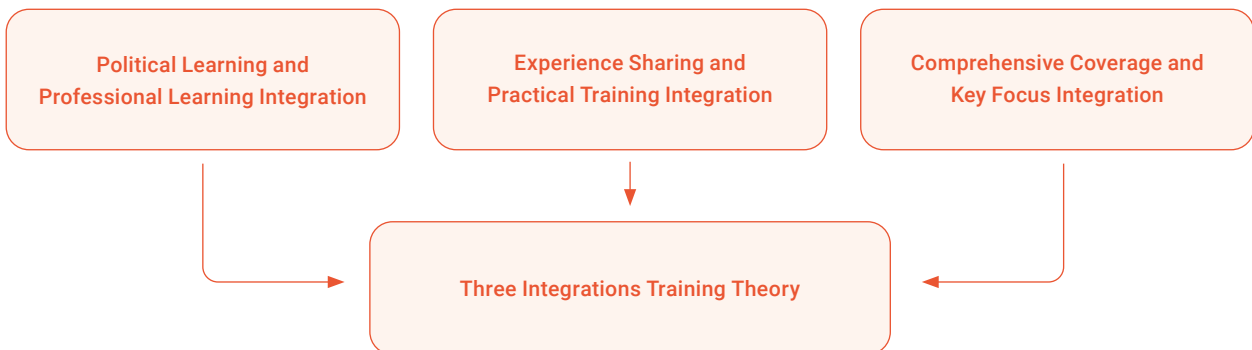
- Regularly hold health training lectures for employees to enhance their medical knowledge and help them develop better work and lifestyle habits. These lectures cover various topics such as Traditional Chinese Medicine, women's health, infant and child care, disease prevention and treatment for middle-aged and elderly people, mental health, and emergency self-rescue.
- Improved healthcare support services in office premises by establishing a medical room in the Company's office building, equipped with basic medical facilities and commonly used medicines, providing employees with services including consultations for common illnesses, blood pressure and blood glucose monitoring, treatment of minor injuries, and emergency response for sudden discomfort, thereby further enhancing healthcare support in the workplace.

### Employee Training and Development

CSC, aligning with the Company's overall development strategy, and has established a system based on the Employee Training Management Measures to improve talent development mechanisms and contribute to the construction of a first-class investment bank.

In 2025, the Company followed the 'Three Integrations' employee training theory, and progressively built six major talent development brands, providing multi-level talent development pathways for all employees.

#### CSC's 'Three Integrations' Training Theory



### CSC's Six Major Talent Development Programmes

Training programme	Target group	Training activities
<b>Lighthouse</b>	Middle and senior leadership	<ul style="list-style-type: none"> <li>• Enhance both political and professional capabilities.</li> <li>• Offline seminars and online self-study.</li> <li>• Knowledge assessments and feedback reports.</li> <li>• Modular, phased course arrangements.</li> </ul>
<b>Sailing</b>	Heads of branches	<ul style="list-style-type: none"> <li>• Set up multiple online course modules in coordination with offline training sessions to comprehensively enhance the theoretical grounding, political awareness and professional competence of heads of branches.</li> <li>• Continued to strengthen the implementation and effectiveness evaluation of the 'Flame Class' and 'Torch Class' young cadre training programmes.</li> </ul>
<b>Aurora</b>	Senior management talents at headquarters	<ul style="list-style-type: none"> <li>• Organised phased teaching and management assessments throughout the training cycle, with a focus on improving the Party consciousness and theoretical literacy of young cadres, and strengthening their awareness of political discipline and rules.</li> </ul>
<b>Fire</b>	Excellent young leaders at branches	<ul style="list-style-type: none"> <li>• Strictly select and cultivate reserve management talents for branches and business departments from the outset.</li> <li>• Continued to strengthen the implementation and effectiveness evaluation of the 'Flame Class' and 'Torch Class' young cadre training programmes.</li> </ul>
<b>Peak Climbing</b>	Specialised domain professional talents	<ul style="list-style-type: none"> <li>• Offer 'General Knowledge Program' for investment research talent, aiming at enhancing employees' enthusiasm for learning and overall knowledge level through the development of version 3.0 of the investment research curriculum library, and offer 'Practical Training Program' to provide simulation-based investment training for staff in investment research positions.</li> <li>• Offer a series of programs for digital talent, including a Fintech General Knowledge Program, a Data Analysis Practical Training Camp, and a Product Thinking Practical Training Camp, aiming to enhance employees' data analysis and product application capabilities. The digital curriculum library is updated to support systematic learning of artificial intelligence and related knowledge.</li> <li>• Offer investment banking business management training for investment banking talents to improve their investment banking team management, strategic customer development services, and internal operational management capabilities and enhance their compliance and risk control awareness.</li> <li>• Organise regional compliance training camps for compliance professionals.</li> <li>• Host 'Key Account Manager' training camps for institutional sales talent.</li> <li>• Built a basic international talent pool, organised pre-departure training and special seminars, and arranged overseas secondment and exchange programmes to enhance the overseas working capabilities of dispatched personnel and strengthen their awareness of security and confidentiality.</li> </ul>
<b>Constellation</b>	Management trainees	<ul style="list-style-type: none"> <li>• Formulated implementation rules to further specify organisational responsibilities, selection procedures, training measures, performance evaluation, and support mechanisms.</li> <li>• Organise management trainee batches to participate in special training sessions and host feedback discussions.</li> </ul>

### 'Lighthouse Programme' — Management and Leadership Training



In 2025, CSC continued to advance the development of its management and leadership training system and implemented the 'Lighthouse Programme' for leaders at middle-management level and above. Targeting principal and deputy middle-management cadres and above under Party Committee management, the programme combined offline intensive training with online learning, focusing on joint study and training on Volume I of Selected Readings from Xi Jinping on Economy, interpretation of the spirit of the Fourth Plenary Session of the 20th CPC Central Committee and the 15th Five-Year Plan, internationalised operations, and leadership and business management practices for cadres, so as to continuously strengthen the management team's theoretical study, political literacy, strategic understanding and capability to perform their duties. During the reporting period, the Company organised three sessions of joint-study training on Volume I of Selected Readings from Xi Jinping on Economy, covering 116 cadres; organised an online study programme on political literacy enhancement, comprising a total of 18 courses and approximately 51.5 learning hours; and held one training programme on duty performance capability enhancement, attended by 123 cadres.

Meanwhile, the Company implemented the 'Fire Programme: Torch Class' for outstanding young cadres in branches, cultivating 55 young cadres, and organised the 'Takeoff Class' for newly appointed heads of business departments, covering 18 newly appointed heads of branches, so as to systematically enhance grassroots managers' duty performance and business management capabilities and strengthen the management talent pipeline.



Group Photo of the 'Fire Programme: Torch Class'

### Digital Talent Development through the 'Data Analysis Practical Training Camp'



In 2025, CSC organised the Data Analysis Practical Training Camp around our digital transformation strategy, focusing on developing core data analysis capabilities and enhancing employees' data application and analysis skills in real business scenarios.

The programme covered a total of 124 trainees from headquarters, subsidiaries, and branches. In the end, 87 trainees passed the assessment and successfully graduated. Trainees completed a total of 87 data application practice reports. This programme effectively consolidated our foundation of digital talent, promoted the integration of data capabilities into frontline business operations, and provided talent support for our digital operations and management decision-making.



Group Photo of the Data Analysis Practical Training Camp

## Cooperating with External Professional Education and Training Institutions to Deliver the 'Peak Climbing' Business English Intensive Training Programme for International Talent



In 2025, CSC focused on its internationalisation strategy and the development of cross-border business capabilities, strengthening collaborative partnerships with external professional education and training institutions to systematically enhance employees' international communication and business practice capabilities. We worked with professional institutions including language training and management consulting institutions, providing tiered and targeted development programmes for all employees and key international talent groups. Through online courses, offline classroom teaching, and one-to-one coaching, we enhanced the professional depth of training and its practical relevance.

During the reporting period, we provided all employees with online Business English learning resources, covering a total of 12 typical work scenarios and approximately 33 study hours. We also organised a Business English enhancement bootcamp for international talent, with a foundation class and an advanced class designed by proficiency level, covering nearly 100 key international talent participants. We effectively improved the measurability and effectiveness of internationalisation training, providing stable talent support for advancing cross-border business and international operations.



Site Photo of Training

In addition, the Company encourages and supports all employees in obtaining professional qualifications and certifications, providing diverse training support for securities qualifications, sponsor representative qualifications, fund practitioner qualifications, accounting continuing education, and information technology qualifications. This helps employees improve their professional abilities and enhance career competitiveness.

## Performance Evaluation Mechanism

The Company has established the *Performance Management Measures* that covers all employees. A top-down performance and compensation structure is set, considering market conditions, compensation strategy, and other factors to establish reasonable and scientific salary standards and variable compensation ratios. This aims to motivate employees and achieve a win-win situation between the Company's overall strategy, organisational development, and individual career growth.

### CSC's Compensation Evaluation and Management Mechanism

<b>Basic composition</b>	The compensation system for non-sales employees at both the headquarters and branch offices consists of a basic salary and an annual performance bonus. The total performance bonus is determined after the close of each fiscal year, based on the Company's overall business performance, and is distributed according to each employee's performance evaluation.
<b>Evaluation cycle</b>	The Company implements annual performance management and annual performance evaluation on a financial-year basis. At the same time, we may, based on position categories, business characteristics, client market conditions, management needs, and regulatory or superior requirements, set phased performance management cycles such as monthly, quarterly, or semi-annual cycles, and organise corresponding evaluations. The results of phased performance evaluations serve as an important reference for annual performance evaluations.
<b>Evaluation process</b>	The process includes setting individual annual work goals, periodic tracking and evaluation, annual performance evaluations, application of evaluation results, performance feedback and appeals, as well as performance coaching, forming a complete performance management loop that covers before, during, and after the process.
<b>Results feedback mechanism</b>	Performance evaluation results are mainly fed back to employees through performance interviews, online communication, and other means, with the Human Resources Department promoting the relevant responsible departments to implement and execute the arrangements, ensuring that employees are fully informed.
<b>Appeals and communication mechanism</b>	The Company has established a feedback and appeal mechanism based on the principle of 'First communicate, then appeal'. Employees may communicate regarding their performance evaluation results. If there are still disagreements, they can submit a written appeal within a specified timeframe. The Company strictly keeps confidential and prudently handles appeals to ensure the fairness and objectivity of the performance evaluations.

## ↳ Metrics and Targets

The Company continues to improve the relevant metric system for human capital management around key areas such as employee recruitment and employment, training and development, performance management, and employee rights and interests protection. Through standardised and quantifiable management objectives, we guide capability enhancement within our workforce and optimise organisational effectiveness, supporting the implementation of our strategy and high-quality development.

### CSC's Quantitative Achievements Employee Issues

Metric	Unit	2025
Number of employee training sessions conducted	Session	1,848
Coverage of employee training	%	96.36%
Average training hours per employee	Hour	52.68
Number of participants in qualification certification and subsequent training	Person-time	18,743
Subsequent training for securities practitioner qualification	Person	10,397
Subsequent training for sponsorship representative qualification	Person	522
Subsequent training for fund practitioner qualification	Person	7,445
Hong Kong Licensing Examination for Securities and Futures Intermediaries	Person	178
Continuing education training for accountants	Person	160
Information technology qualification training	Person	41

# Supply Chain Security

CSC's suppliers are categorised into goods, services, and engineering by procurement content. We strictly comply with the *Tendering and Bidding Law of the People's Republic of China* and the *Interim Provisions on Centralised Procurement Management of State-Owned Financial Enterprises*, and other relevant laws, regulations, and requirements. Additionally, we have established management systems such as the *Procurement Management Measures (2025 Revision)* to further standardise operational procedures, enhance management efficiency, and provide a more stable and reliable business environment for our partners.

## ↳ Supplier Management

The Company ensures a reasonable lead time for in-depth supplier sourcing and the formulation of targeted procurement strategies by strengthening procurement plan management and bringing forward the initiation of key projects, thereby safeguarding procurement quality and efficiency at source and reducing supply risks.

In the risk identification stage, we implement a dual screening procedure, conducting admission screening for participating suppliers in specific procurement projects, and regularly carrying out ongoing risk scans of all suppliers in the supplier database.

### CSC's Management Measures for Supplier Environmental and Social Risks in 2025

During the admission stage, suppliers undergo a qualification review based on documents such as business licenses, proof of paid-in capital, financial statements, tax payment certificates, proof of social security contributions, and qualification certificates. Additionally, assessments are conducted on topics including supplier carbon emissions, environmental pollution, human rights, and labour management. Only qualified suppliers are admitted, ensuring a 100% admission coverage rate.

Through publicly credit data sources such as the National Enterprise Credit Information Publicity System and Credit China, we proactively identify supplier risks, with a particular focus on abnormal business operations and records of illegal or dishonest behaviour to prevent and mitigate supplier default risks. For high-value sole-source procurement projects, we publish a pre-procurement announcement on the Company's official website to ensure broad public supervision.

All admitted suppliers are required to sign the *Qualified Supplier Commitment Letter* and confidentiality clauses, committing to strict compliance with laws, regulations, rules, and other normative documents, as well as industry standards and self-regulatory rules. Additionally, suppliers must establish internal policies on integrity in business conduct and implement compliance verification procedures.

Conduct annual and routine evaluations of suppliers, engage in discussions with suppliers identified with issues, blacklist those with misconduct, and urge continuous improvement in contract performance and service awareness. This ensures the implementation of a closed-loop lifecycle management system for suppliers.

We systematically advance supplier chain management from the perspectives of integrity and compliance, data security, and capability building, and continuously improve suppliers' compliance levels and collaborative capabilities.

### CSC's Supply Chain Management Measures in 2025

#### Supply chain anti-corruption

- In the latest version of the procurement document template, all suppliers participating in the Company's procurement projects are required to sign an integrity and self-discipline commitment, and to establish internal policies related to integrity in professional conduct, as well as compliance verification procedures supporting such policies.
- All qualified suppliers are required to sign the *Qualified Supplier Commitment Letter*, and to commit to carrying out procurement activities with the Company in accordance with the principles of 'integrity, lawfulness, honesty and good faith'.

#### Supplier Data Security and Privacy Protection

- All qualified suppliers in the information technology category are required to sign the *Qualified Supplier Commitment Letter*, undertaking to provide secure information technology products and services. All cooperation agreements include, among other provisions, requirements not to disclose the Company's or customers' information accessed in the course of cooperation.
- Qualified suppliers are also required to establish information security-related protection policies, and we reserve the right to continuously supervise the implementation of such policies and to verify their compliance and effectiveness.

#### Supply Chain Management Team Capacity Building

- The Company regularly organises employee participation in procurement and supply chain management training and actively engages in relevant international certifications. As at the end of 2025, five employees had obtained the Chartered Institute of Procurement & Supply (CIPS) Procurement Manager Certification.

Additionally, the Company balances economic and environmental benefits in procurement activities. Under equal conditions in terms of performance, technology, and service, priority is given to procuring and using raw materials, products, and services that promote energy conservation, water efficiency, and material savings, contributing to environmental protection. Suppliers are also required to make commitments related to green and eco-friendly practices.

### Launching the New-Generation Xinyicai Procurement Management System to Comprehensively Enhance Supply Chain Quality, Efficiency and Transparency



To enhance supply chain quality and efficiency and compliance management, CSC officially launched the Xinyicai new-generation procurement management system in July 2025. Integrating three major modules, namely procurement internal control management, e-procurement and tendering, and a supplier portal, the system enables the full-process online operation and unified running of procurement business.

Xinyicai embeds the principles of compliance and openness into its system design. At the procurement requisition stage, it incorporates a single-source procurement justification, review and approval module to further strengthen ex-ante controls. Meanwhile, the system features a dedicated, company-wide procurement portal that centrally publishes procurement announcements, disclosure notices, and supplier solicitations, ensuring that once an announcement is issued, it is visible across the entire network. This provides a one-stop, transparent platform for public oversight and fair competition among suppliers, fostering a more standardised and efficient procurement and supplier management system.

## ⇒ Supply Chain Resilience

The Company regards enhancing supply chain resilience as a critical foundation for safeguarding operational stability and service continuity. By combining upfront planning, diversified allocation, and digitalised management and control, we enhance the supply chain's ability to respond to external uncertainties.

By bringing procurement planning management forward and reasonably reserving project timelines, we reduce the impact of supply disruptions, tight resources, or price fluctuations on business operations. Moreover, we leverage supplier admission screening, dynamic risk scanning, and a tiered management mechanism to continuously optimise our supplier structure, enhancing overall stability and substitutability.

Based on the Xinyicai new-generation procurement management system, we achieve transparent, standardised, and traceable management of procurement processes. While strengthening compliance control, we enhance procurement response efficiency and risk response capabilities, thereby providing support for our business continuity and sound operations.

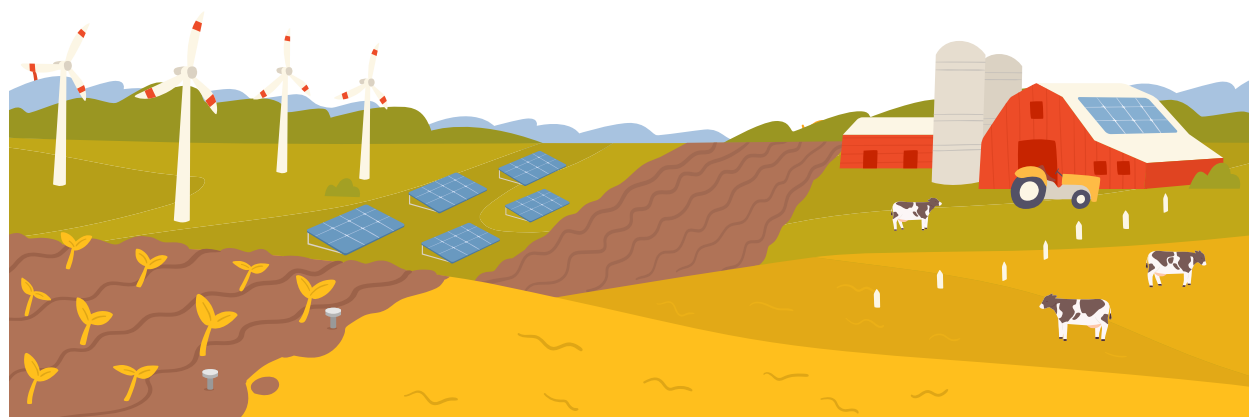
## ⇒ Equal Treatment to Small and Medium-Sized Enterprises

The Company adheres to an open, transparent, honest, and trustworthy cooperation philosophy. In procurement and cooperation, we treat all types of market entities equally, safeguard the legitimate rights and interests of SME suppliers in accordance with laws and regulations, reasonably set payment terms, and carry out acceptance, settlement, and payment in a timely manner as agreed in contracts.

# Rural Revitalisation

CSC continues to improve its relevant institutional framework around rural revitalisation and the management of external donations. Since 2021, we have successively formulated and issued *Several Opinions on the Company's Support for Rural Revitalisation and Practice of Green Finance*, *Management Measures for External Donations*, and other related documents, including special rectification in the rural revitalisation area, bringing subsidiaries under unified management, clarifying the donation management mechanism, process requirements, and division of responsibilities, and continuously strengthening standardised management as well as supervision and constraints.

In 2025, we carried out public welfare assistance, financial assistance, consumption assistance, education assistance, intellectual assistance, and organisational assistance in designated assistance counties and other assisted regions, comprehensively expanded the scope of financial assistance, seized rural revitalisation opportunities, and contributed to consolidating and expanding the achievements of poverty alleviation and advancing rural revitalisation.



## CSC's Rural Revitalisation Initiatives and Achievements in 2025

### Public welfare assistance

- In 2025, CSC (including its subsidiaries) invested more than RMB 8.8 million in non-repayable funds to support regions including Qianjiang District of Chongqing, Pingbian County of Yunnan Province, Huayuan County of Hunan Province, Jinggangshan City and Anyuan County of Jiangxi Province, to improve local livelihoods and infrastructure and support rural revitalisation.

### Financial assistance

- Leveraging the 'one company, one county' paired assistance arrangement, the Company gives full play to its investment banking strengths to support enterprises in assisted regions in improving corporate governance and expanding financing channels, and actively participates in equity and debt financing of local enterprises where conditions permit, thereby supporting county-level industrial development. The Company acted as lead underwriter for 13 rural revitalisation bonds, with an underwriting amount of RMB 6,213 million, providing stable financial support for major agricultural and rural projects.
- Through "insurance + futures" and over-the-counter options on agricultural products, China Futures Co., Ltd. provided agricultural business entities with support for price risk management. In total, we carried out related projects with an aggregate notional principal amount of RMB2,379 million, promoting the steady development of the agricultural industry.

### Consumption assistance

- The Company cumulatively completed consumer assistance of RMB 17.5450 million, of which consumption of agricultural products from targeted assistance districts and counties exceeded RMB 9 million.
- China Futures drove the economic development of rural revitalisation regions through consumption, with consumer assistance amounting to approximately RMB 820 thousand.

### Educational assistance

- The Company donated RMB 650 thousand to Huayuan County, Xiangxi Tujia and Miao Autonomous Prefecture, Hunan Province, to specifically support the 'Miaoling Qingmiao' Shibadong area senior secondary education assistance programme, thereby supporting the development of local education and fulfilling its social responsibilities.
- China Futures Co., Ltd. supported students in assisted areas through initiatives such as education support donations, care and support for young people, and support for students' interest development, helping students in assisted areas to develop strengths, focus on their studies, relieve living pressures, and support their healthy growth.

### Intellectual assistance

- The Company supported the enhancement of financial knowledge and capabilities of relevant personnel in paired assistance counties and cities through capital market training and financial knowledge promotion, and held 6 capital market training seminars in paired assistance counties and cities, reaching more than 300 people.
- China Futures held 108 professional knowledge training sessions in the assisted regions, covering 3,075 person-times.

### Organisational assistance

- The Company and the Party branches in the assisted area carried out six joint Party-building studies and co-building activities.
- China Futures Co., Ltd. signed new Party-building co-building agreements with Party organisations in 32 poverty-stricken areas, and carried out Party-building co-building activities with Party organisations in 65 formerly paired poverty-stricken areas; and signed new rural revitalisation assistance agreements with 11 poverty-stricken areas, and continued to carry out rural revitalisation assistance work in 56 formerly paired areas.

### China Futures Carried out the 'Insurance + Futures' Risk Coverage Project for Pig Farming in Muping District, Yantai, Shandong



To implement the rural revitalisation strategy and enhance financial services for the real economy, with the support of Dalian Commodity Exchange (DCE), China Futures, together with PICC Property and Casualty Yantai Branch, implemented in 2025 two batches of DCE 'Agricultural Insurance Programme' for pig farming under the 'Insurance + Futures' model in Muping District, Yantai City, Shandong Province. Focusing on price fluctuations in the pig farming process and overall farming risks, the projects used futures and insurance tools to provide risk coverage for local farmers. The total amount of the two batches was RMB 27.3602 million, providing risk coverage for 20,046 pigs being raised by local farmers.

Through the 'Insurance + Futures' model, this project introduces futures risk management tools into the pig farming process, helping to alleviate farmers' operational risks arising from fluctuations in pork prices, stabilise farming income, and enhance the resilience of agricultural production and operations against risks. It provides replicable practical experience for financial tools serving the development of the agricultural industry.

## ⇒ Metrics and Targets

We focus on serving the national rural revitalisation strategy, continue to leverage our professional strengths in finance, and support rural economic development and improvements in people's livelihoods through financial support, public welfare assistance, and investment in related projects.

### CSC's Quantitative Achievements in Rural Revitalisation in 2025

Metric	Unit	2023	2024	2025
Expenditure on rural revitalisation projects	RMB 10,000	1,772.37	1,473.98	904.69

## Contributions to the Society

CSC has formulated relevant documents including the *Management Measures for External Donations*, incorporating subsidiaries into unified management, clarifying the donation management mechanism, process requirements, and division of responsibilities, and continuously strengthening standardised management as well as supervision and constraints.

The Company proactively seizes opportunities for social value creation and brand reputation enhancement and, focusing on key areas including volunteer services, people's well-being, youth development, and community co-building, systematically and consistently advances public welfare initiatives. In 2025, our total public welfare and assistance expenditure amounted to RMB 12.7389 million.

### CSC's Measures and Achievements in Contributions to the Society in 2025

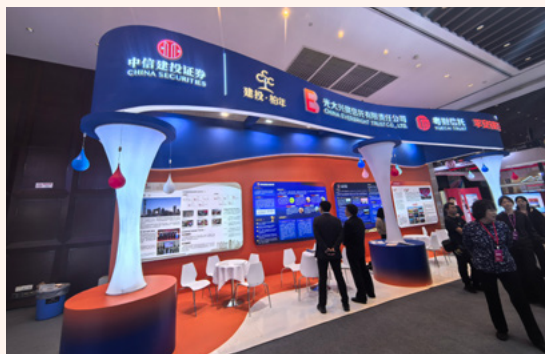
<p><b>public welfare initiatives</b></p>	<p>In November 2025, a severe fire broke out at Wang Fuk Court in Tai Po, Hong Kong, resulting in significant casualties and drawing widespread concern from across society. To demonstrate corporate responsibility and fulfil its social responsibilities, CSC donated HKD 4 million (equivalent to approximately RMB 3.642 million), specifically designated for fire rescue and post-disaster reconstruction efforts at Wang Fuk Court in Tai Po, Hong Kong.</p>
<p><b>Development of the volunteer service system</b></p>	<p>The Company actively promoted the standardised development of volunteer services and encouraged young employees to participate in public welfare activities. We registered and established the CSC Youth Volunteer Team on the Beijing Volunteers platform, guiding young employees to participate in public welfare activities in an orderly manner. We also organised more than 80 young employees to carry out a voluntary tree-planting activity themed "Practising Financial Responsibility and Promoting Green Development" in 2025 at the Changyang Farm Training Base in Fangshan District, Beijing, demonstrating our commitment to serving the public through finance and promoting green development with concrete actions. As of the end of 2025, our volunteer team had 23 registered members, with a cumulative service duration of 108 hours.</p>
<p><b>Youth volunteering and social care</b></p>	<p>Focusing on areas such as child care, support for special groups, public health, and environmental protection, we organised and carried out volunteer activities including 'Heartfelt Care from the Party', a visit and care initiative for children with intellectual disabilities, 'Walk for Love', a Children's Day (1 June) micro-wish initiative, 'Mask Angels Shelter', a donation programme for children with blood disorders, 'Love Never Stops', a care initiative for special groups, 'Blood Donation to Show True Dedication', a voluntary blood donation initiative, an on-campus investor education programme, 'Youth with Warmth', an initiative relieving summer heat, 'One Egg's Outrage', a charity hike fundraising initiative, and 'Love Recycled, Warmth Shared', a clothing donation initiative. We continued to promote the volunteer spirit of dedication, friendship, mutual assistance, and progress.</p>
<p><b>Educational support and talent development</b></p>	<p>Rooted in Hong Kong and centred on the theme 'Bringing Heartfelt Care into Communities', China Securities International organised community volunteer activities. Through home visits, distribution of care packs, and other initiatives, it provided support to elderly people living alone, senior citizens, and disadvantaged families. We also carried out group visits across multiple communities, benefiting approximately 1,500 people in total and continuously bringing warmth to communities.</p>

#### 'Bainian Xiangshan' Finance-for-Good Public Welfare Project



In December 2025, CSC showcased the 'Bainian Xiangshan' project at the 2025 China Charity Fair, hosted by the China Charity Alliance and the Guangzhou Charity Federation, with our finance-for-good practices being presented in the themed 'Finance + Charity' exhibition area.

Through a 'wealth management returns + charitable donations' model, the project embedded social responsibility into wealth management services. In its first phase, it made cumulative donations of RMB95.4 thousand, providing targeted support to 25 disadvantaged children. The project received significant attention from participating organisations and guests, demonstrating the practical effectiveness of financial institutions leveraging professional capabilities to engage in public welfare and create sustainable social value.



The China Charity Fair

# Improving Financial Services and Rights Protection through Refined Operations Management

CSC always adheres to a 'customer-centred' approach, deeply integrating refined operations management into the entire chain of financial services. Through strengthening our governance structure, optimising service processes, enhancing technology empowerment and risk management and control, we have established a systematic and standardised rights and interests protection system in areas including product safety, data privacy, investor education and ethics of science and technology. This effectively improves service quality and efficiency as well as customer experience, fully putting into practice the concept of 'finance serving the people' and consolidating the trust cornerstone for high-quality development.

### Issues responded:

Safety and quality of products and services, innovation-driven, ethics of science and technology, data security and customer privacy protection, investor education and protection

### SDGs responded:



# Safety and Quality of Products and Services

## ↳ Governance

CSC's business scope includes investment banking, wealth management, trading and institutional customer services, and asset management, serving corporate, institutional, and individual customers. The Company regards comprehensive customer service capabilities as a core competitive advantage, continuously improving its customer service management framework, refining its customer service management system, and comprehensively enhancing service quality.

CSC's Governance Structure for the Safety and Quality of Products and Services

<b>Decision-making and supervisory level</b>	Board			
<b>Management level</b>	Executive Committee			
<b>Executive level</b>	Investment Banking Business Management Committee	Wealth Management Committee	Institutional Business Committee	Various business departments, including Asset Management Department and Fixed Income Department

## ↳ Strategy

CSC consistently upholds a 'customer-centric' approach and practices the 'finance for the people' philosophy. It practices 'Value Investment Banking', 'New-Quality Investment Banking' and 'Digital and Intelligent Investment Banking', and accelerates the establishment of a customer-driven new development model, focusing on enhancing our level of internationalisation, increasing customer stickiness, and strengthening our customer base.

Analysis of CSC's Opportunities in the Safety and Quality of Products and Services and Response Strategies

Opportunity type	Opportunities	Impact timeframe	Expected Financial impact	Response strategies
Product and service opportunities	By strengthening our comprehensive financial service capabilities, deepening our presence among cross-border and institutional customers, advancing digital transformation, and optimising the development of our product system, we improve the quality of products and services across all business lines, enhance customer loyalty and frequency of use, and drive optimisation of our revenue structure as well as steady growth in business scale.	Medium and long term	Increased revenue	<ul style="list-style-type: none"> <li>Strengthen the development of a comprehensive financial services system, and enhance cross-line collaboration capabilities and full lifecycle customer service capabilities.</li> <li>Deepen digital and intelligent transformation, optimise trading, investment research, and customer service processes, and enhance service efficiency and quality.</li> <li>Strengthen the integrated domestic and overseas deployment and cross-border business capability development, and expand the boundaries of institutional customers and internationalised services.</li> <li>Focus on customers' needs for asset allocation, risk management, and liquidity management, and continuously optimise the product system and capabilities for customised solutions.</li> </ul>

Based on the differentiated business lines and different customer types, we develop diversified strategies to improve financial product quality and enhance service quality, thereby strengthening customer loyalty.

### CSC's Strategies for Improving Product and Service Quality across all Business Lines in 2025

Business line	Business category	Strategies
<b>Investment Banking Business</b>	<ul style="list-style-type: none"> <li>• Equity financing business</li> <li>• Debt financing business</li> <li>• Financial advisory business</li> </ul>	<ul style="list-style-type: none"> <li>• Establish a company-wide strategic customer service system, and promote comprehensive coverage of customer visits</li> <li>• Advance integrated onshore and offshore operations, and strengthen service capabilities in the Hong Kong region</li> </ul>
<b>Wealth management business</b>	<ul style="list-style-type: none"> <li>• Brokerage and wealth management business</li> <li>• Margin financing and securities lending business</li> <li>• Repurchase business</li> <li>• International wealth management business</li> </ul>	<ul style="list-style-type: none"> <li>• Accelerate the establishment of the Inclusive Digital and Intelligent Operation Service Centre</li> <li>• Leverage AI to upgrade trading services</li> <li>• Develop customised asset allocation solutions</li> <li>• Build a strong brand for executive office services</li> <li>• Strengthen customer complaint management and carry out initiatives to improve customer satisfaction</li> <li>• Upgrade and promote the intelligent trading platform, focusing on customer needs to enhance industry leadership and market competitiveness</li> </ul>
<b>Trading and institutional customer services business</b>	<ul style="list-style-type: none"> <li>• Equity sales and trading business</li> <li>• Fixed income product sales and trading business</li> <li>• Investment research business</li> <li>• Prime brokerage Business</li> <li>• QFI and WFOE business</li> <li>• Alternative investment business</li> </ul>	<ul style="list-style-type: none"> <li>• Build a comprehensive end-to-end service system across the full FICC value chain, and enhance the ability to serve customers throughout the entire lifecycle</li> <li>• Deepen our cross-border business presence, and enhance service capabilities for institutional customers in Hong Kong and overseas</li> <li>• Advance digitalisation and intelligent development, and improve the efficiency of investment research, advisory, and trading services</li> <li>• Provide integrated solutions centred on customers' liquidity management, risk hedging, and asset allocation needs</li> </ul>
<b>Asset management business</b>	<ul style="list-style-type: none"> <li>• Securities firm asset management business</li> <li>• Fund management business</li> <li>• Private equity investment business</li> </ul>	<ul style="list-style-type: none"> <li>• Deepen investment research and digital development to enhance service capabilities</li> <li>• Improve the product and service system with investors at the core</li> <li>• Focus on in-depth industry expertise to provide professional capital services</li> </ul>

## ↳ Impact, Risk and Opportunity Management

In 2025, we focused on customer needs, advanced strategic client coverage, digital and intelligent operations, and innovation in our product system, strengthened technology empowerment and channel synergy, enhanced customer experience through differentiated and specialised services, and continued to consolidate our customer-centric competitive foundation.

## CSC's Management Measures and Achievements in the Safety and Quality of Products and Services in 2025

### Investment Banking Business

- Clarified the tiered approach to strategic customer services, and formulated a new strategic customer system transformation plan.
- Promoted the development of a comprehensive service management system for corporate customers.
- Strengthened information technology development, and upgraded and optimised the strategic customer module of the CRM system.
- Enhanced visit coverage and comprehensive service capabilities for company-wide customers.
- Advanced the integration of domestic and overseas investment banking business, further enhanced the service capabilities of Hong Kong investment banking business, and better met the needs of domestic enterprises for overseas capital operations.

### Wealth management business

- Promoted the development of the Inclusive Digital and Intelligent Operations Centre, and completed the establishment of the Huaxi and Northwest sub-centres, covering 31 branches and a total of 6.16 million customers, providing services nearly 660 million times, adding 66,000 new valid accounts, with newly added business covering 360,000 customer visits.
- Upgraded AI-empowered trading services and built the Xindingting AI Intelligent Data Platform to provide precise services to professional trading customer segments.
- By continuously producing professional content, we enhanced customers' trust in our professional service capabilities and brand influence. In 2025, the Company conducted a total of 1,790 live-streaming sessions, with cumulative views of 3.0962 million, serving 2.1 million customers, and resolving more than 120,000 issues raised in customer messages.
- Developed and upgraded the core functions of the intelligent trading platform, optimised system algorithms, and carried out trading strategy research and development.
- Leveraging the customer service hotline, we provide three service modes for customers to choose from, including self-service enquiries, human-machine Q&A, and manual support, and continuously optimise the "Youwen" online consultation platform to deliver 7x24-hour services.

### CSC's customer complaint communication channels and handling period

Nationwide unified customer service hotline:  
400-8888-108

Customer service email:  
4008888108@csc.com.cn

At site of branch offices

Handling principles: The call centre shall, within one working day, distribute the complaint to the head of the institution to which the customer belongs and the compliance administrator, with copies sent to the manager of the superior branch and the regional compliance officer, so as to ensure that the complaint is properly handled. The handling department shall conclude the case within 20 trading days (Day T+20) from the date of receipt of the complaint (Day T). Where, under special circumstances, the case cannot be concluded within the prescribed timeframe, the handling department shall apply in advance to the complaint management department for an extension (which may be granted more than once; however, each extension shall not exceed 20 trading days and the total number of extension days for the same complaint shall not exceed 20 trading days), and shall provide an explanation for the extension.

### Trading and institutional customer services business

- Upgraded the comprehensive customer service system and improved the FICC product and service toolbox to meet customers' diversified needs in trading services, asset value preservation and appreciation, risk hedging and other areas, thereby enhancing customer stickiness.
- Deepened the cross-border customer service footprint, successfully completed the first batch of transactions under the network connection business between the Macau Central Securities Depository System (CSD) and the Central Moneymarkets Unit (CMU) in Hong Kong, expanded cooperation with overseas institutional customers, and enhanced cross-border investment and financing service capabilities.
- Realised scenario-based embedding of the intelligent capabilities of the Octopus Platform across processes including investment research, customer service and risk management, thereby improving the overall efficiency of business automation and intelligence; launched intelligent account data analysis services for investment research and customer service, so as to enhance customer service efficiency and professional output capabilities.

### ● Asset management business

- Deepened differentiated services, with a focus on building an asset management service system covering all products, all customers and the entire life cycle, and promoted innovation in service models and coordinated business development.
- Continued to expand the breadth and depth of the product line, innovate product design, improve product line deployment, enrich the strategy system, and comprehensively cover diversified investment needs in areas such as pension, regional development and charity.

### [Case Study] China Futures Organising Special Training on Customer Complaint Resolution to Enhance Service Quality and Efficiency



To enhance its capability in handling customer complaints, China Futures organised a special training on customer complaint resolution in Chongqing in November 2025. Trainees from the Customer Service Department, Business Management Department, and various branches participated actively. The training focused on the trend of increasingly complex complaint scenarios, and invited external experts to deliver systematic sessions on emotion recognition, communication pitfalls, and resolution techniques. Through case study breakdowns and interactive discussions, the training strengthened employees' comprehensive service capabilities in providing accurate responses, handling situations rationally, and demonstrating emotional empathy in their day-to-day work.



The special training on customer complaint resolution

## ↳ Metrics and Targets

In 2025, the Company successfully drove innovation and upgrades in service models, establishing a diversified business service system, significantly enhancing customer experience, and achieving its expected targets.

### CSC's Targets for Safety and Quality of Products and Services and Target Achievement in 2025

Target	Key achievements in 2025	Target achievement in 2025
Optimisation of customer service experience	<ul style="list-style-type: none"> <li>• 168 complaints about products and services</li> <li>• 100% complaint resolution rate</li> </ul>	Achieved
Enhancement of customer satisfaction	<ul style="list-style-type: none"> <li>• The customer service hotline received 90,992 post-call customer satisfaction evaluations, of which 90,664 were rated as satisfied, resulting in a customer satisfaction rate of 99.64%</li> </ul>	
Protecting consumers' rights and interests	<ul style="list-style-type: none"> <li>• Conducted 19 training sessions on consumer rights protection awareness and service scope, reaching a total of 23,196 participants</li> </ul>	

# Innovation-Driven

CSC leverages technology to empower business processes, product services, and risk management, continuously deepening digital finance development, comprehensively enhancing operational efficiency and optimising customer experience, demonstrating the outcomes of financial technology empowerment.

## ↳ Governance

The Company strictly complies with the requirements of laws, regulations, and documents such as the *Measures for the Administration of Information Technology in Securities and Fund Operating Institutions (2021 Revision)* and *Measures for the Administration of Network and Information Security in the Securities and Futures Industry*, and has formulated the *Rules for Innovation in Information Technology Applications*. Over the years, we have continuously advanced digital development in line with the standard of 'record everything, analyse everything, measure everything, and improve everything', focusing on digital finance and enhancing the quality and effectiveness of financial services through fintech.

The Company continues to improve our fintech governance structure, authorising the senior management to make decisions and carry out management, coordinating and advancing the Company's digital transformation initiatives, and leveraging fintech to empower our business. All business departments and functional departments respond proactively and work closely together, leveraging fintech to build a new business ecosystem, embedding technology into various business and operational scenarios, and driving further upgrades to our business operations and business model.

## ↳ Strategy

Against the backdrop of accelerating digital transformation and rising customer demand for online and intelligent services, CSC seizes medium- to long-term market opportunities and establishes a solid and stable technical support system in areas such as data processing, online service experience, and intelligent risk control. We continue to advance the localisation transformation of information systems, promote the iterative and innovative application of digital and intelligent technologies across business areas, and strengthen operations and maintenance assurance capabilities, ensuring no major trading incidents and continuously improving our information technology management level.

### Analysis of CSC's Opportunities in Innovation-Driven Development and Response Strategies

Opportunity type	Opportunity analysis	Impact timeframe	Expected Financial impact	Response strategies
Product and service opportunities	The Company has established a solid and stable technical support system in areas such as data processing, the online service experience, and intelligent risk control, effectively optimising the experience across the entire process of account opening, trade execution, and access to investment research, continuously increasing the usage of relevant products and services and customer activity, thereby driving growth in service revenue and expansion of business scale.	Medium and long term	Increased revenue	<ul style="list-style-type: none"> <li>Optimise the project management and resource allocation mechanism.</li> <li>Strengthen the deep integration of emerging technologies, such as AI, big data, cloud computing, and blockchain, with business scenarios.</li> </ul>

## ⇒ Impact, Risk and Opportunity Management

In 2025, we focused on our "digital finance" strategic objectives and steadily advanced key initiatives including upgrades to digital infrastructure, the application of intelligent technologies, data governance, and system synergy, effectively enhancing our technology support capabilities and the level of integration between technology and business. Through a series of initiatives, we significantly enhanced our innovation capabilities, security, and service efficiency in the digital era, injecting strong momentum into high-quality development.

### CSC's Measures and Achievements in Innovation-Driven Development in 2025

#### Digital infrastructure upgrade

- Developed and launched the Digital Archives System, with more than 2.10 million archived items, achieved online archiving of data across OA, All-in-One Counter, and electronic accounting archives systems, strengthening the foundation for unified archives management.

#### Integrated application of intelligent technologies

- Initiated the development of a domestic GPU computing power pool to support large model training and inference needs, and enhanced the level of independent and controllable computing power.
- Advanced the development of an intelligent agent platform, and explored the implementation of AI in scenarios such as customer service and risk identification.
- Actively participated in scientific research projects of financial technology innovation centres, and promoted pilot applications of large model technologies in areas such as investment research and compliance.

#### Data governance and system synergy

- Completed the integration between the new-generation financial expense management platform and the data warehouse, strengthening the standardisation and sharing capabilities of financial data.
- Collaborated to advance the development of the information-sharing mechanism, enhancing the integrity of customer views across business lines.
- Dynamically tracked the core indicators for the 'Five Major Areas' of finance and digital finance, ensuring closed-loop management of strategic tasks.

#### Fintech ecosystem co-building

- Completed participation and publicity at the 2025 World Artificial Intelligence Conference, showcasing the Company's achievements in fintech empowerment.
- Organised participation in the 3rd 'Blooming Cup' Digital Application Competition, stimulating internal innovation vitality and promoting the incubation of outstanding cases.
- Actively participated in seminars and pilot assessments on the digital transformation evaluation system, supporting the establishment of scientific and quantifiable transformation standards.

#### Internal control and security capability development

- Carried out 11 internal control inspections, covering key areas such as contract management, software development quality, and operations and maintenance management.
- Established a rectification follow-up mechanism, carried out dedicated work for key rectification tasks, and promoted audit and inspection rectification through monthly internal control briefings.
- Successfully completed information system support tasks for major events, ensuring business continuity and information security during critical periods.

In 2025, we focused on AI applications. In combination with blockchain, cloud computing, and big data technologies, we systematically advanced our fintech capability development, comprehensively empowering our business to improve quality and efficiency, as well as ensuring security and compliance operations.

## CSC's Innovation Achievements in AI Application, Blockchain, Cloud Computing and Big Data in 2025

### AI applications

- In 2025, the Company's AI applications upgraded from "single-point breakthroughs" to "end-to-end empowerment", with comprehensive implementation across investment banking, marketing, research, investment, advisory, fixed income, customer service, data, and R&D, achieving significant results.

#### Intelligent Investment Banking

- Focusing on the "gatekeeper" role, the Company has built an intelligent platform covering the entire lifecycle of underwriting, quality control, and post-issuance management. In risk management, a financial fraud attribution analysis system has been established to enable precise risk identification and quantitative assessment. In due diligence, leveraging integrated "image recognition + large model" technologies, the Company has achieved automated analysis of fund flows, intelligent verification of abnormal transactions, and penetration-based investigation of suspicious activities. Tens of thousands of transaction records are processed annually, with verification cycles reduced by 50%, comprehensively enhancing the quality and efficiency of investment banking services through AI technologies.

#### Intelligent Marketing

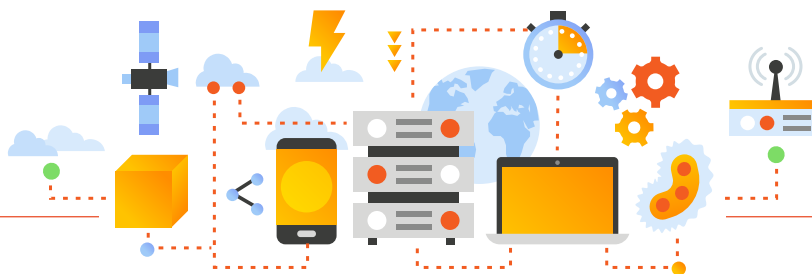
- The Company has developed an intelligent marketing platform centred on two key scenarios: inclusive services for long-tail customers and business opportunity mining for listed companies. Inclusive services cover millions of customers, with functionalities such as AI-powered outbound calling, AI coaching, and the "Lingxi" intelligent customer service platform significantly improving customer reach efficiency and conversion rates. The business opportunity mining platform covers all listed companies in the market, transforming expert experience into scalable models, reducing the preparation time for service proposals by 80% and effectively enhancing customer service responsiveness and per capita productivity.

#### Intelligent Research

- The AI-driven multi-asset allocation platform covers the entire process from macro analysis to portfolio management, integrating capabilities such as factor libraries, strategy research, and intelligent fund selection, forming a closed loop of "research-investment-management". It has already served a large number of institutional clients, with assets under management exceeding RMB100 billion. The Company has independently built a digital and intelligent research foundation covering data processing, content generation, and compliance monitoring. The "Zhiwen" research platform enables voice transcription, report summarisation, and knowledge vectorisation, realising full-process intelligence in research and upgrading compliance risk control, significantly improving research efficiency and knowledge reuse while strengthening compliance safeguards.

#### Intelligent Investment

- The Company has established a dual-track layout for individual and institutional clients. For individual investors, the AI-driven platform "Xindi Ting" enables natural language-based strategy coding and builds a full lifecycle closed loop covering pre-investment, in-investment, and post-investment stages. For institutional clients, a self-developed intelligent trading engine integrates "large models + small models" to achieve millisecond-level inference and real-time risk control. The platform currently serves tens of thousands of institutional clients and covers assets in the trillions, significantly reducing costs, improving efficiency, and enhancing core competitiveness.



### Intelligent Advisory

- The Company has developed the "Beidou" advisory large model and a multi-agent collaborative platform based on the Qwen model, launching AI-powered investment analysis and advisory strategy functions. These capabilities cover the full process including Q&A, individual stock analysis, strategy recommendations, and post-investment support. The system supports 7×24-hour automated services, serves more than 10,000 customer managers, and achieves a response accuracy rate exceeding 97%, significantly improving customer investment efficiency and user stickiness while reducing per-client service costs, enabling an upgrade from "intelligent investment" to "intelligent advisory".

### Intelligent Fixed Income

- The Company has built the "Octopus" intelligent platform covering both primary and secondary markets, achieving intelligent upgrades across four key scenarios: recommendation, trading, Q&A, and multi-agent collaboration. The accuracy of bond quotation parsing reaches 96%, while the accuracy of natural language-to-database queries has improved from 35% to 93%. The platform has launched three major assistants for sales, credit research, and advisory, forming a multi-agent collaborative ecosystem that supports high-frequency business scenarios. Relevant achievements have been selected for top international conferences for two consecutive years, marking important breakthroughs in explainable AI in finance.

### Intelligent Customer Service

- The Company has established a full-process intelligent service system covering pre-service insight, in-process assistance, and post-service review. Annual service volume reaches millions of interactions, with issue resolution rates increasing to 95%, customer satisfaction reaching 99%, and quality inspection coverage achieving 100%. Significant reductions in daily labour input have been realised, driving the transformation of customer service from a "human-led" model to an "AI + human collaboration" model.

### Intelligent Data Management

- The Company has launched the "Intelligent Data Query" platform, enabling natural language-based data retrieval and reducing processing time from days to minutes, improving analytical efficiency by over 80%. The platform integrates data with business rules, supporting automated execution of complex tasks such as attribution analysis and trend forecasting, thereby promoting data accessibility and inclusiveness.

### Intelligent R&D

- The Company has developed an engineering-grade "AI programmer" agent, enabling automated code completion, file merging, unit test generation, and engineering Q&A. Currently, more than 30% of code is generated automatically, significantly shortening development cycles while improving quality and reusability.

### Blockchain

- The Customer Interaction Behaviour System Management Platform established 209 Level-3 tags and 190 field templates, with approximately 870,000 records uploaded on-chain daily to the SSE Chain. The project won the 2025 'Cloud Eagle Project Excellence Award' and the 'Digital Financial Service Innovation Excellence Case Award'.
- The cross-border research report storage system completed the migration to a single-track switch, maintained stable 7×24 operation throughout the year, and cumulatively processed 572 evidence preservation letters.
- Completed Phase I development of the investment banking letter confirmation digitalisation platform based on the blockchain of the Securities Association of China, participated in the Institutional Connect project, and completed blockchain system integration and joint debugging tests with CITIC Wealth.
- Continued to strengthen in-house R&D capabilities, completed smart contract optimisation and blockchain explorer development, and submitted one patent application.

### Cloud computing

- The cloud adoption rate of business systems exceeded 80%, cloud hosts on the IT application innovation cloud increased by 23% year on year, and the scale of container cloud grew by 33%.
- Optimised the cloud portal and verified the high-speed network to support large model training.

### Big data

- Integrated over 250 systems, with total data volume reaching 550TB, representing a year-on-year increase of 40%. TianKui Data Platform pushed an average of 4.9TB of data per day.
- Established a unified customer view for tens of millions of customers, and launched 166 risk models and added over 600 new indicator tags to the audit system.

## Building the Investment Banking 'Gatekeeper' Digital- Intelligence Integrated Business Platform



CSC has developed 'Gatekeeper' Digital-Intelligence Integrated Business Platform for investment banking. By developing a unified data foundation, integrated process management, and a suite of intelligent auxiliary applications, we applied cutting-edge technologies such as large AI models across three core stages of investment banking business, namely, ex-ante admission, in-event due diligence, and ex-post information disclosure. The platform has been deeply embedded in more than 10 key operating scenarios, including financial fraud verification, screening for potential related-party relationships, and verification of fund flow transactions, thereby creating an 'intelligent defence line' for full-spectrum 'equity + bond' investment banking business. This project won the First Prize of the Financial Technology Development Award from the People's Bank of China 2024.

The platform enhances quality and efficiency in CSC's investment banking risk control system, shifting from 'manual prevention' to 'technological defence' and 'intelligent control'. It significantly reduces the risks of fraudulent issuance and public opinion crises. This achievement serves as a benchmark for the Company's deep integration of financial technology into investment banking, offering a replicable model for digital and intelligent transformation in the industry.

## ⇒ Metrics and Targets

CSC adheres to the political, people-oriented, and professional nature of financial work, remains investor-centred and leverages technology-driven financial achievements to empower all investors, making every effort to advance digital finance. In 2025, we continued to increase investment in R&D resources, and cumulatively won multiple authoritative industry awards, with our intellectual property reserves continuing to expand:

### CSC's Targets for Innovation-Driven Development and Target Achievement in 2025

Target	Key achievements in 2025	Target achievement in 2025
Promoting data governance to solidify the foundation of digital transformation	<ul style="list-style-type: none"> <li>Fintech investment amounted to RMB1,694,285.7 thousand, representing 8.64% of operating revenue.</li> <li>The number of information technology personnel was 878, accounting for 6.96% of the total number of employees.</li> <li>We filed 108 invention patents, with 29 granted in 2025. We had 78 valid patents, including 61 invention patents, all of which have been put into application.</li> </ul>	Achieved
Conducting data mining to improve digital services	<ul style="list-style-type: none"> <li><i>Investment, Research, and Advisory Intelligent Service Matrix Driven by the Collaboration of Large and Small Models</i> won the Second Prize of the '2024 Financial Technology Development Award' from the People's Bank of China.</li> <li><i>End-To-End Cloud Integrated Service Platform for the Intelligent Investment Advisory System</i> was selected as a model case in the 4th 'Dingxin Cup' Digital Transformation Application Collection.</li> </ul>	
Building data systems to strongly support digital operations	<ul style="list-style-type: none"> <li><i>Investment Banking 'Gatekeeper' Digital-Intelligence Integrated Business Platform</i> won the First Prize of the Financial Technology Development Award from the People's Bank of China.</li> <li><i>Intelligent Futures Service Platform Based on a Multimodal Large Model</i> won the Second Prize of '2024 Financial Technology Development Award' from the People's Bank of China.</li> <li><i>Intelligent Full-Scenario Public Fund Wealth Management Platform Based on Digital Finance</i> won the Second Prize of '2024 Financial Technology Development Award' from the People's Bank of China.</li> </ul>	



# Ethics of Science and Technology

CSC's technology ethics governance mainly covers key areas including cybersecurity, data security, personal information protection, and AI security, effectively strengthening the bottom line of security and compliance.

As the application of technologies such as AI, blockchain, and big data in CSC's operations and business continues to deepen, CSC attaches great importance to technology ethics governance. CSC strictly complies with applicable laws, regulations, and regulatory requirements including the Regulations on Network Data Security Management, the Measures on the Management of Personal Information Protection Compliance Audits, the Measures for the Security Management of Facial Recognition Technology Applications, and the Measures for Labelling Synthetic Content Generated by Artificial Intelligence. CSC has formulated internal management policies including the Artificial Intelligence Algorithm Security Management Policy (Consultation Draft), integrating technology ethics throughout the entire process of digital transformation, thereby effectively fulfilling the financial sector's responsibilities in data security, algorithm compliance, and the protection of customer rights and interests.

Based on the requirements of internal management systems, we carry out ex-ante risk assessments for technology applications. Leveraging the monitoring system, we continuously monitor automated operating systems and conduct joint analysis for items requiring manual intervention. The Company's audit department regularly carries out special audits and has established a closed-loop management mechanism, providing a solid safeguard for the sound innovation and high-quality development of our fintech. In 2025, we carried out the filing procedures for large models, established a sensitive word database, and developed a high-performance real-time sensitive word detection engine to conduct compliance screening for sensitive words in outward-facing content, thereby avoiding compliance risks.

We established the management objectives of setting up an AI governance system, promptly updating internal policies in accordance with newly issued laws and regulations and the results of external inspections, ensuring the effective implementation of policies, and regularly monitoring the related outcomes.

## CSC's Targets for Ethics of Science and Technology and Target Achievement in 2025

Target	Achievements in 2025	Target achievement in 2025
Improve the AI and data compliance governance system	<ul style="list-style-type: none"> <li>Issued company-wide AI compliance alerts, completed the AI governance-related content under the IT security baseline, advanced the consultation process for the foundational AI management policy, and revised and gradually issued a number of internal policies in accordance with new regulations such as the <i>Regulations on Network Data Security Management</i>, and the results of regulatory inspections.</li> <li>Updated the privacy policy, completed algorithm filing and the personal information protection impact assessment, and clarified the respective compliance audit responsibilities.</li> <li>Provided systematic technical support for the effective implementation of compliance policies through the development of IT architecture management, metadata management, and data model management systems.</li> </ul>	Achieved
Fulfil personal information and algorithm compliance obligations		
Enhance the technical support capabilities for strengthening the implementation of systems		



# Data Security and Customer Privacy Protection

CSC attaches great importance to information security and customer privacy protection. The data involved in the Company's business operations primarily includes customer data, transaction data, and product data. Customer data contains sensitive information such as personal identification details, financial information, and credit information.

## ↳ Governance

The Company strictly complies with the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *Measures for the Administration of Network and Information Security in the Securities and Futures Industry*, the *Regulations on Network Data Security Management*, and other relevant laws and regulatory requirements. It has established internal policies, including the *Measures for Data Security Management*, the *Measures for Data Classification and Grading Management*, and the *Personal Information Protection Management Measures*, and revised the *Data Security and Privacy Protection Management Statement* in 2025. These policies and statements apply to all departments at the Company's headquarters, branch offices, and subsidiaries, ensuring full coverage of all business and operational lines.

The Company has established a three-tier information security management structure comprising the supervisory level, the management level, and the executive level, ensuring that information security management continues to adapt to the development of the Company's management and business operations. The Board is responsible for customer data security and privacy protection. It authorises the Executive Committee to coordinate the relevant work and be responsible for setting management objectives.

### CSC's Governance Structure for Data Security and Customer Privacy Protection

Board: Overall coordination, strategic leadership, and ultimate responsibility		
Executive Committee		
Information Technology Governance Committee (data security function)		Investor Protection Committee (customer privacy protection function)
IT Department	Data Management Department	Legal and Compliance Department, various customer management departments, and other relevant functional departments

## ↳ Strategy

We strengthen internal control mechanisms, optimise process control, effectively enhance data security and privacy protection capabilities, and reduce the likelihood of risks occurring and their impact on overall operations.

### Analysis of CSC's Risks in Data Security and Customer Privacy Protection and Response Strategies

Risk type	Risk analysis	Impact timeframe	Expected Financial impact	Response strategies
Policy and legal risks	If we fail to properly manage the storage, transmission and use of customer identity information, transaction data or sensitive information, resulting in data leakage, unauthorised access or non-compliant handling, we may face administrative penalties, rectification requirements and legal liabilities, thereby increasing compliance costs and adversely affecting trust in us and the robustness of our business operations.	Medium and long term	Increased compliance costs Decreased revenue	<ul style="list-style-type: none"> <li>Fully implement a zero-trust-incident security architecture.</li> <li>Mandate the deployment of endpoint detection and response systems.</li> <li>Implement an Internet endpoint sandbox isolation and data export review mechanism.</li> <li>Complete internal and external network segregation across all branches.</li> </ul>

## ⇒ Impact, Risk and Opportunity Management

We continuously improve the processes for identifying, assessing, and managing risks relating to data security and customer privacy protection, and continue to optimise risk management procedures. Through security controls and security testing at each point across the full lifecycle of information systems, we embed security into every step to ensure the effectiveness of risk management.

### Data Security

The Company regards data security as an important foundation of its operation and management, and has established an all-round assurance system covering emergency response, risk control, security training, and supply chain management. We continue to test and enhance our protection capabilities through special audits and practical drills, effectively strengthening the safeguards for customer data security and business continuity. In 2025, no data security incidents were reported.

#### CSC's Measures and Achievements in Safeguarding Data Security

##### Establish an emergency response mechanism

- In terms of proactive defence measures, establish security protection measures covering the entire data life cycle, including network isolation, encrypted transmission, data desensitisation, behavioural auditing, and data leakage prevention systems, conduct company-wide information security emergency drills every six months, covering all critical systems within two years, and regularly organise penetration testing and red team-blue team exercises.
- In terms of passive response, comprehensively develop contingency plans for information systems, clarifying incident reporting and handling procedures. In the event of an information security incident, immediately report it to the Information System Emergency Response Leadership Team, initiate the emergency response process, use technical tools for investigation and tracing, and have each business department handle the situation according to their respective business emergency plans.

##### Implement the risk control system

- Implement a 'three lines of defence' approach to information technology risk management, with the first line for daily monitoring, the second line for independent assessments (using tools such as KRI and RCSA), and the third line for internal audits.
- For information systems, carry out internal audits of information technology management every year to ensure that all matters are covered within three years, and engage external institutions every three years to conduct comprehensive external audits in key areas such as data security.

##### Conduct safety awareness training

- Regularly sent a monthly information security awareness training newsletter to all employees, organised phishing email drills on a quarterly basis, and carried out online security awareness training and examinations covering personal information protection and data security.

##### Safeguard information security across supply chain processes

- Require all qualified information technology suppliers to sign a commitment letter, committing to strengthening training on cybersecurity, data security, and staff security awareness, responding promptly to security incidents, and providing secure and reliable digital products and services.
- Clarify confidentiality obligations in cooperation agreements, prohibiting the disclosure of the Company's and customers' information accessed during the cooperation process.
- Require suppliers to establish an information security protection system, and reserve the right to continuously supervise and verify the implementation, compliance, and effectiveness of their systems.

## Conducting a Special Audit of Information Technology Management



In August 2025, the Company conducted a special audit of information technology management, covering information technology governance, compliance and risk management, security and operations management, emergency management, and data governance. Prior to the audit, a detailed plan was prepared. High-risk information systems were prioritised for sampling, and identified issues were incorporated into the remediation process. Dedicated personnel tracked and supervised the process throughout to ensure closed-loop remediation.

Through the audit, the Company systematically strengthened its review mechanism for high-risk areas, effectively identified and facilitated the resolution of weaknesses in data security management, and enhanced coordination between policy implementation and technical safeguards, providing strong assurance for the Company in establishing a compliant, robust, and trustworthy data security management system.

## Organising Information System Disaster Recovery Drills



To enhance emergency response capabilities, the Company's Information Technology Department formulated an annual drill plan in 2025 and organised two company-level comprehensive emergency drills for critical information systems in June and November. These drills realistically simulated a scenario in which the primary production data centre was unavailable due to a disaster, and disaster recovery switchovers were carried out for multiple core trading systems. The drills comprehensively tested the effectiveness and operability of the cybersecurity incident emergency response mechanism and emergency plans, helped various business departments and branches become familiar with switchover procedures, and validated the functionality and performance of the disaster recovery environment.

Through these drills, the Company significantly enhanced its practical capability to respond to major data security incidents, and strengthened the reliability and response efficiency of the disaster recovery system, thus laying a solid foundation for safeguarding customer data security, business continuity, and system resilience.



## Customer Privacy Protection

The Company prioritises customer privacy protection and continuously improves management standards and processes for each stage in customer information processing, including collection, use, storage, correction, and removal. Through safeguarding customer rights, information confidentiality, access control, system development, and customer empowerment, we have established an end-to-end customer privacy protection system covering the entire chain, effectively safeguarding the security of customers' personal information and their data rights and interests. In 2025, no incidents related to customer privacy breaches were reported.

### CSC's Measures and Achievements in Customer Privacy Protection

<p><b>Safeguard customers' rights of personal information processing</b></p> <ul style="list-style-type: none"> <li>• Through the authorisation clauses in legal texts and prominent notices in the privacy policies of each customer-facing platform, clearly inform customers of the rules governing the use of their personal information, thereby safeguarding their right to be informed.</li> <li>• Establish and improve the customer information rights response mechanism to safeguard customers' rights to rectify and copy their information and to close their accounts, and optimise the relevant business processes to ensure that customers can effectively exercise their rights of access, correction, and removal.</li> <li>• Anonymise customer information upon account closing, and remove all personal information in accordance with the law upon expiry of the statutory retention period, thereby effectively protecting privacy and security.</li> </ul>	<p><b>Strictly keep confidential customers' personal information</b></p> <ul style="list-style-type: none"> <li>• Collect non-public personal information only when such information is necessary for current business operations and only with the customer's consent, regularly remove personal sensitive information that is no longer needed, and commit that we will not collect personal data from third parties that is not necessary for business operations or without personal authorisation.</li> <li>• Use customer personal information solely for transaction or service purposes, except as required by laws and regulations, regulatory requirements, or self-regulatory rules.</li> <li>• Strictly prohibit renting, selling or providing customer information to any third party, without obtaining customer authorisation.</li> </ul>
<p><b>Implement the minimum authorisation access control policy</b></p> <ul style="list-style-type: none"> <li>• Grant data access and operational permissions only to employees who need them to fulfil their responsibilities, and limit access to the minimum required scope.</li> <li>• Conduct database operations and maintenance for production systems uniformly via a bastion host, with refined access control implemented.</li> <li>• Deploy hardware encryption devices to encrypt and store personal sensitive information, mask data when data are displayed in the back-end, and maintain logs throughout the entire process for sensitive operations to ensure traceability.</li> </ul>	<p><b>Embed a data privacy protection mechanism throughout the full cycle of development</b></p> <ul style="list-style-type: none"> <li>• Incorporate data security protection requirements into system development specifications, and establish a security baseline covering sensitive data encryption, transmission encryption, prohibition of bulk display, and operation traceability, among other measures.</li> <li>• Before system go-live, carry out strict source code reviews, vulnerability scans, and penetration tests to identify and fix security defects.</li> <li>• Ensure that the information system complies with regulatory and security standards for customer data privacy protection at all stages, from design and development to deployment.</li> </ul>

In addition, we actively carried out privacy and data security communications for customers, and proactively pushed privacy policy agreements through transaction and service application software to guide customers to pay attention to and attach importance to personal information security.

## ↔ Metrics and Targets

The Company further improves its data security management system, enhances its capability to protect customer privacy, strengthens technical safeguards and security awareness among all employees, steadily advances compliance certification and capability building, and comprehensively safeguards customer privacy and data security. In 2025, all management targets were successfully achieved.

### CSC's Targets for Data Security and Customer Privacy Protection and Target Achievement in 2025

Target	Key achievements in 2025	Target achievement in 2025
Improve the data security management system	<ul style="list-style-type: none"> <li>No data breaches or customer privacy leaks occurred.</li> <li>agement Capability Maturity Model (DCMM) assessment, and set our sights on Level 5, continuing to enhance our data management capabilities.</li> <li>In April 2025, all of our information systems had cooperated with external certification bodies to complete the recertification audit for the updated ISO27001 information security management system certification, maintaining both international and domestic certifications. All systems filed under the Multi-Level Protection Scheme (MLPS) complied with MLPS 2.0 assessment standards.</li> <li>Assisted in compiling the <i>DCMM Research Report on the Financial Industry (2024-2025)</i> and won the 'Best Practice Unit' title from the China Federation of Electronics and Information Industry and the DCMM Financial Industry Community Technical Committee.</li> </ul>	Achieved
Strengthen data security protection	<ul style="list-style-type: none"> <li>Completed security reviews for 323 projects, source code scans for 429 projects, and penetration tests for 203 projects throughout the year.</li> <li>Organised and carried out a company-wide red team-blue team exercise.</li> </ul>	
Foster employee awareness of information security	<ul style="list-style-type: none"> <li>Issued 12 issues of the information security awareness monthly bulletin.</li> <li>Organised four phishing email drills.</li> <li>Conducted information security awareness training for all employees, including employees of subsidiaries.</li> </ul>	



DCMM Quantitative Management Level Certification



ISO 27001:2022 Information Security Management System Standard Certification (Valid until 19 April 2027)

# Investor Education and Protection

CSC prioritises the protection of investors' rights and interests, and strictly complies with applicable regulatory requirements including the *Several Opinions of the China Securities Regulatory Commission on Strengthening the Protection of Small and Medium-Sized Investors in the Capital Market* and the *Guidelines for Securities Operating Institutions to Participate in Combating Illegal Securities Activities*. It has formulated internal management policies including *Implementation Rules for the Suitability Management of Investors in the Agency Sale of Private Fund Products*, and promotes the continuous improvement of its investor education and protection system.

Against the backdrop of continuous strengthening of requirements for investor suitability and protection, the Company carries out investor education through multiple channels. While promoting the development of online education, we continue to strengthen the development of our existing investor education bases and strictly implement suitability management to ensure that product recommendations match customers' risk tolerance, thereby effectively fulfilling our obligations to protect investors.

Relying on our physical investor education base, 'Jingxin Academy', we integrate online and offline resources to comprehensively promote investor education initiatives, continuously advance the inclusion of investor education in the national education system, expand our educational influence, and help investors develop rational investment awareness.

## CSC's Investor Education Practices in 2025



### Conduct investor education through multiple channels

- Released investor education articles and short videos through the Company's official WeChat account, WeChat Channels and other new media platforms to promote understanding of the risk and return characteristics of financial products.
- Held regular online and offline investor education activities to help investors understand product structures and investment logic.
- Set up standardised investor education areas at the business outlets of our branches to carry out regular investor education publicity.



### Implement investor suitability management

- Required sales personnel to have a comprehensive understanding of customers' basic information, including identity, financial position, income level, financial knowledge, and investment experience.
- Conducted an in-depth assessment of customers' investment objectives, risk appetite, and loss-bearing capacity.
- Based on the assessment results, provided clear suitability matching recommendations, sold and provided appropriate products or services to appropriate investors, and ensured standardised and orderly investor suitability management.



## Promoting Belt and Road-Themed Investor Education to Drive International and Inclusive Development



In 2025, our investor education base adhered to the philosophy of 'efficient investor education and pragmatic investment protection', focusing on serving the national Belt and Road Initiative. We successively organised a number of themed activities, including *Angola Public Finance and Financial Management Training Programme*, *Belt and Road Countries Railway Operations and Materials Management Training Programme*, *Zambia Government Budget and Debt Risk Management Training Programme*, and *Myanmar Modern Finance Research Programme*. We also carried out themed investor education exchanges under the theme of 'Empowering the Belt and Road, Promoting Shared Prosperity', providing in-depth explanations on capital markets and financial risks to officials from economic and diplomatic sectors of Belt and Road countries. Among them, the *Zambia Government Budget and Debt Risk Management Training Programme* was featured in a full-platform video report by *National Business Daily*, with online views exceeding 2 million.

By extending investor education to international cooperation scenarios under the Belt and Road Initiative, we put into practice the political nature and people-centred nature of financial work, broaden the international perspective and social value of investor education, and promote investor education towards a more open, inclusive, and sustainable direction.



Promoting Belt and Road-Themed Investor Education to Advance Internationalisation and Inclusive Development

### 2025 Performance Highlights:

- Company's investor education base "Jingxin Academy" received over 55,700 visitors through on-site receptions and online live-streamed tours throughout the year.
- The Company held 5,922 public-interest investor education activities, including 279 'Investor Education into Hundreds of Campuses' activities with more than 100 participants each.
- The Company produced 2,746 original investor education products, with electronic products recording more than 270 million reads.
- The Company received the highest A rating for securities companies' investor education work by the SAC, the SSE, SZSE, and BSE for four consecutive years.
- The Company won honours such as the 'Outstanding Support Unit for Investor Service e-Station' from BSE, the 'Fight Against Financial Fraud Together' Original Video Contest – Excellence Award' from SSE, 'The *Shareholders Are Coming* (2025) 'Fight Against Financial Fraud Together' Short Video Contest – Bronze Award' from the China Securities Investor Services Centre, the 'Innovative On-the-Ground Investor Education Base' at the 2nd 'CLS Xingyin Cup' Financial Education Annual Selection, the 'Golden Tripod Awards – Best Organiser of Investor Education Activities & Most Influential On-the-Ground Investor Education Base of Securities Firm' from *National Business Daily*, and the '14th Golden Intelligence Award–Outstanding Investor Education Brand Building' from JRJ.com.

# 03

## Governance

Leveraging Modern Corporate Governance to Safeguard Long-Term Stable and Compliant Development





# Leveraging Modern Corporate Governance to Safeguard Long-Term Stable and Compliant Development

CSC regards corporate governance as the fundamental safeguard for steady and long-term development. We remain firmly committed to the concept of high-quality development, and build a modern governance system with clearly defined rights and responsibilities, effective checks and balances, and standardise operations. We continuously improve the composition and governance structure of the Board, and strengthen information disclosure and investor communication mechanisms. Meanwhile, we adhere to business ethics, and deeply integrate a culture of compliance, integrity in professional practice, and comprehensive risk management into the entire business process. We uphold a rationalised layout, integrated coordination, and refined risk control, and continuously enhance governance effectiveness.

## Issues responded:

Corporate governance, industry culture development, anti-commercial bribery and anti-corruption, anti-unfair competition, comprehensive risk management, operational compliance

## SDGs responded:



# Corporate Governance

## ↳ Governance

The Company has established a sound and well-developed corporate governance structure comprising the General Meeting, the Board, and the Executive Committee, and has formed a corporate governance system with clearly defined roles and responsibilities, standardised operations, and coordination across deliberation, decision-making, execution, and supervision among the governing body, decision-making and supervisory bodies, and the management, ensuring that deliberation, decision-making, execution, and supervision are mutually coordinated, mutually balanced, and mutually reinforcing.

The Company strictly complies with the Company Law of the People's Republic of China, the *Securities Law of the People's Republic of China*, *SSE Listing Rules*, Appendix C1 *Corporate Governance Code to the Hong Kong Listing Rules*, and the relevant provisions on corporate governance issued by securities regulatory authorities, and has formulated and proactively revised management policies such as the *Articles of Association* and the *Rules of Procedure for the General Meeting*, *Rules of Procedure for the Board*, and *Rules of Procedure for the Executive Committee*. These policies cover all aspects of corporate governance, including information disclosure and investor relations management, and provide an institutional foundation for the Company's standardised operations.

## ↳ Strategy

As a financial company registered in China and listed in both the Chinese Mainland and Hong Kong, the Company upholds the principle of high-quality development, strictly complies with the regulatory requirements of both listing venues, systematically identifies, prudently assesses, and effectively manages potential impacts, risks, and strategic opportunities in the corporate governance sector, continuously optimises governance mechanisms, strengthens the compliance foundation, promotes the steady enhancement of governance effectiveness, and actively shapes and maintains our strong image in the capital markets.

Analysis of CSC's Risks in Corporate Governance and Response Strategies

Risk type	Risk analysis	Impact timeframe	Expected Financial impact	Response strategies
Policy and legal risks	Inadequate implementation of corporate governance efforts may lead to decision-making failures and distorted financial information, among other issues. This will not only result in regulatory penalties, but will also trigger negative sentiment in the capital market, adversely affecting operating revenue.	Short, medium, and long term	Increased operating costs	<ul style="list-style-type: none"> <li>Strictly comply with the regulatory requirements of A-share and H-share listing venues, establish and continuously optimise the corporate governance mechanism, and ensure the Company's sound and sustainable development.</li> <li>Strengthen internal control development, with focus on the 'key decision-makers', enhancing the Company's long-term value.</li> <li>Revise relevant management policies in a timely manner, and improve the dividend distribution mechanism.</li> <li>Maintain smooth communication channels with investors.</li> </ul>

## ↳ Impact, Risk and Opportunity Management

### Operation of the Board

In 2025, we completed revisions to the Articles of Association and the rules of procedure for the General Meeting, Board, and special committees, to abolish the Supervisory Board, require the Audit Committee to perform the relevant powers and functions of the Supervisory Board as prescribed by the Company Law of the People's Republic of China in accordance with the law, further clarify the boundaries of responsibilities of each governance body. We continuously strengthen the performance support for the Board and carry out diversified training, continuously enhance the independence, professionalism, and diversity of the Board, and improve the remuneration and performance evaluation mechanism, promoting a more standardised, scientific, and efficient corporate governance structure.

## Effective performance of the Board

- The Company's directors are elected or replaced by the General Meeting. Each term of office for directors is three years, and directors may be re-elected upon expiry of their term.
- The Company strictly reviews the employment status of independent director candidates in other institutions. In principle, independent directors shall serve as independent directors in no more than three companies listed in the Chinese mainland and shall have sufficient time and energy to effectively perform the duties of independent directors, and their consecutive terms shall not exceed six years.
- In 2025, the Company held a total of:
  - ▶ Eight regular meetings of the Board, during which a total of 69 proposals and reports were reviewed or listened to. The directors' attendance rate was 100%.
  - ▶ A total of 21 meetings were held by the various special committees under the Board, including four meetings of the Development Strategy Committee, five meetings of the Risk Management Committee, seven meetings of the Audit Committee, and five meetings of the Remuneration and Nomination Committee.
- The Company's directors all possess the professional competence, managerial experience and operational capabilities necessary to fulfil their duties, with professional backgrounds and industry experience in areas such as auditing, accounting, and risk management, ensuring that the Board is diversified and complementary, thereby supporting sound and scientific decision-making.

## Training for the Board

- The Company prioritises ongoing training for directors. Making full use of training platforms provided by regulators, self-regulatory organisations, stock exchanges and other parties, we offer internal training, coordinate external training, and provide written materials to ensure they remain informed about the latest corporate developments, legal regulations, and regulatory requirements.
- In 2025, the Company's Directors received abundant and diverse training, covering a number of topic categories such as AI and chip technology, market value management, information disclosure, sustainability, and ESG management. Newly appointed directors received orientation training on regulatory concepts and practices for listed companies, duty performance by directors, supervisors and senior management, and responsibilities of the directors of Hong Kong-listed companies. The training for the Company's directors complied with the requirements of regulators and stock exchanges, with the average duration of duty-related training attended per person exceeding 15 hours.
  - ▶ In terms of ESG-related training, all incumbent directors participated in the thematic "ESG and Sustainability" training organised by the Listed Companies Association of Beijing, as well as the "Sustainability and ESG Policy Analysis and Improvement Directions for A+H Listed Companies" training organised by the Company.

## Board independence

- At the end of 2025, among the 15 directors on the Board, two are executive directors and 13 are non-executive directors (including seven shareholder directors, five independent non-executive directors, and one employee director), and the non-executive directors are independent of the Company's management.
- In 2025, we revised the *Articles of Association* to further clarify the qualifications and duties of independent directors, ensure that independent directors are able to safeguard the legitimate rights and interests of the Company and minority shareholders independently and objectively, and fully leverage the role of independent directors in corporate governance.
- When the Company considers related party transactions, related directors and shareholders abstain from voting, while independent directors express independent opinions.
- In 2025, we added new provisions when revising the *Articles of Association* to clarify that matters involving related shareholders' abstention from voting shall be disclosed in shareholder meeting notices and resolution announcements, and that provisions requiring related shareholders and their authorised representatives to abstain from voting and not participate in vote counting or monitoring shall be strictly implemented.

### Board diversity

- The Company formulates a Board diversity policy and ensures that the nomination of Board candidates takes diversity into account, including but not limited to gender, age, educational background, and professional experience. All appointments are made based on merit, with objective conditions taken into account to ensure diversity.
- In 2025, we added new provisions when revising the *Articles of Association* to expressly provide for the addition of one employee representative director, who shall be elected or replaced by the Company's employees through the employee representatives' congress meeting or other forms of democratic election. In addition, the Company added diversity-related rules to the *Rules of Procedure for the Remuneration and Nomination Committee*, expressly requiring at least one committee member of a different gender. In December 2025, a female director was added to the Remuneration and Nomination Committee, thereby further enhancing the level of Board diversity.

### Director performance and compensation

- A sound remuneration system has been established, aligning with industry standards and the Company's specific conditions to ensure that the remuneration of directors, and senior managers is performance-based and role-specific.
- The General Meeting/ Board approves the remuneration and payment methods for directors/senior managers through ordinary resolutions. Independent non-executive directors receive allowances with reference to industry standards, while other non-executive directors do not receive remuneration from the Company. The remuneration of executive directors and senior managers is determined in accordance with the Company's remuneration and performance evaluation system.
- In accordance with the revised Deferred Payment Management Measures for Remuneration in 2025, the annual performance-based salary deferred for executive directors and senior managers is no less than 50% for a deferral period of no less than three years, with clawback, withholding, and recourse provisions. If an executive director or senior manager resigns, is involved in compliance or risk events, or violates professional ethics or regulations during the deferral period, the Company reserves the right to recourse, withhold, and claw back their incentive bonuses to ensure that the compensation incentive matches the performance subject to risk-based adjustment.
- In 2025, we revised the *Rules of Procedure for the Remuneration and Nomination Committee*, which clearly specify the responsibilities of the Remuneration and Nomination Committee in formulating or amending equity incentive plans and employee shareholding plans, and matters such as the granting of authorised rights and interests to incentive recipients and the fulfilment of conditions for exercising such rights and interests, thereby strengthening the Board's role in standardised management and strategic guidance of remuneration incentives.

## Information Disclosure

The Company strictly complies with all regulatory requirements regarding information disclosure and adheres to its *Articles of Association*. In 2025, we revised the *Information Disclosure Management Measures* to improve our information disclosure management system, regulate all the matters related to information disclosure, ensure that information is disclosed in a timely and impartial manner, and guarantee the truthfulness, accuracy, and completeness of the disclosed information.

## Investor Communication

The Company attaches importance to maintaining investor relations, and promotes standardised operations and protects investors' rights and interests through comprehensive and effective investor relations management. We actively fulfil our responsibilities as a listed company, strengthen investor relations management, and have established and revised the *Investor Relations Management Measures*. We have assembled an investor relations service team led by the Board secretary to build effective communication channels and foster positive relations between the Company and investors, and make every effort to enhance investor engagement and satisfaction.

In 2025, we established a regular investor communication mechanism, promptly convened results briefings following the disclosure of periodic reports, and deepened engagement through various channels, including roadshows, analyst meetings, visitor receptions, and symposium discussions. Meanwhile, through multiple channels, including SSE Info, investor hotline, email, dedicated sections on our official website, and the WeChat official account 'CSC Insight', we released updates on business developments, financial performance, and ESG practices, and used tools such as reminders for online voting at General Meetings, facilitating minority investors' participation in corporate governance.

In addition, the Company adheres to the 'investor-centric' concept, implements a stable and sustainable cash dividend policy to enhance shareholder returns, and has formulated a market value management policy in March 2025 to systematically promote value realisation and the alignment of investors' interests.

## ↪ Metrics and Targets

The Company's overarching objective is to 'optimise corporate governance and ensure sustainable and healthy development'. In strict compliance with governance regulations, we have established monitoring metrics and regularly track their progress. In 2025, our corporate governance practices fully met legal, regulatory, and stock exchange requirements.



Awarded the "Best Practice of Board Office of Listed Companies" and the "Best Practice Case of Board of Listed Companies" by the China Association for Public Companies

### CSC's Corporate Governance Metrics and Targets in 2025

Target	Monitoring metrics and 2025 performance
Enhance the reasonableness and effectiveness of the corporate governance system	<ul style="list-style-type: none"> <li>As of the end of 2025, the Board comprised 15 directors, including five independent non-executive directors, accounting for more than one-third of the total, and 2 female non-executive directors.</li> <li>Fully revised 7 related regulations, including the Articles of Association and related governance systems.</li> <li>Each director participated in more than 15 hours of professional training related to their duties.</li> <li>Successfully selected for '2025 Best Practice in Board among Listed Companies' and '2025 Best Practice in Board Office among Listed Companies' by the CAPCO.</li> </ul>
Ensure that the convening, holding, and voting procedures of the General Meeting and the Board are legally compliant.	<ul style="list-style-type: none"> <li>Convened five General Meetings, reviewing or deliberating a total of 15 proposals and reports.</li> <li>Held eight Board meetings, reviewing or deliberating a total of 69 proposals and reports, with an average director attendance rate of 100%.</li> <li>Convened 21 meetings of special committees.</li> </ul>
Disclose information in a timely and fair manner, ensuring authenticity, accuracy, and completeness	<ul style="list-style-type: none"> <li>Prepared and disclosed four periodic reports, along with over 200 other information disclosure documents for the A-share and H-share markets.</li> <li>Ensured that all disclosed documents contained no false records, misleading statements, or material omissions, guaranteeing that investors received disclosed information equally, timely, and effectively.</li> </ul>
Provide comprehensive and effective investor relations services	<ul style="list-style-type: none"> <li>Held three performance briefings following the annual, half-year, and third-quarter results releases, including one live-streamed session; answered more than 300 investor phone inquiries; responded to six investor questions on the SSE Interactive Platform.</li> <li>Won the '2024 Best Practice in Investor Relations Management among Listed Companies' and '2024 Exemplary Practice in Annual Results Presentation among Listed Companies' from the CAPCO.</li> </ul>
Strengthen the governance participation of independent directors to ensure the protection of minority shareholders' legitimate rights and interests	<ul style="list-style-type: none"> <li>Independent directors diligently fulfilled their duties, maintaining the independence required by relevant regulations, and played an active role in decision-making, oversight, checks and balances, and professional advisory functions within the Board.</li> <li>Maintained continuity and stability in the Company's profit distribution policy, and implemented a multiple-dividend policy within the year. Since 2025, the Company distributed an annual dividend of RMB 1.65 (inclusive of tax) per ten shares for 2024, with total dividends for 2024 amounting to RMB 2.55 (inclusive of tax) per ten shares, and an interim dividend of RMB 1.65 (inclusive of tax) per ten shares for 2025. Since the H-share listing in December 2016, cumulative dividends have reached RMB 19,118 million. Since the A-share listing in June 2018, the cash dividends as a percentage of net profit attributable to ordinary shareholders have continued to exceed 30%, indicating that the Company continuously creates value for shareholders through a stable cash dividend policy.</li> </ul>

For more details on the management of corporate governance issues, please refer to the 'Corporate Governance, Environmental and Social' section of the CSC 2025 Annual Report.

# Industry Culture Development

CSC thoroughly implements the guiding principles of the Central Financial Work Conference and actively responds to regulatory requirements on fostering a financial culture with Chinese characteristics. Upholding the leadership of Party building and integrating the industry tenets of 'compliance, integrity, professionalism, and stability', we deeply embed cultural development into corporate governance and operational management, focusing on building a cultural system with a correct orientation, distinctive features, and full participation across the organisation, providing value guidance and spiritual support for high-quality development.

The Company continues to respond to the relevant work requirements of the *Ten Key Elements for Industry Culture Development in the Securities Sector* and *Work Arrangements for Further Consolidating and Advancing Industry Culture Development in the Securities Sector*, and has developed the CSC Financial Co., Ltd. Corporate Culture Handbook to drive business guidelines across all business lines. We have established a three-tier governance structure comprising the Cultural Development Leadership Group, the Cultural Development Office, and the executing departments to ensure the orderly advancement of culture development work and enhance the internal cohesion and external influence of the Company's brand culture.

## CSC's Governance Structure for Industry Culture Development



We deeply integrate a culture of integrity into our corporate governance and business practices by improving internal control mechanisms, strengthening the integrity responsibilities of wealth management, and establishing a technology-empowered fraud prevention and control system. We comprehensively carry out systematic learning and promotional initiatives to foster a strong cultural atmosphere, enhancing employees' recognition of and commitment to corporate culture.

The Company's specific initiatives in industry culture development are detailed in the *2025 Cultural Development Practice Report Released by CSC Financial Co., Ltd.*

# Anti-Commercial Bribery and Anti-Corruption

## ↳ Governance

We conscientiously implement the CSRC and SAC requirements regarding the integrity of securities operating institutions and their staff, and strictly comply with the *Provisions on the Business Integrity of Securities and Futures Operating Institutions and Their Staff*, the *Anti-Money Laundering Law of the People's Republic of China (2024 Revision)* (hereinafter referred to as the 'Anti-Money Laundering Law'), the *Measures for the Implementation of Anti-Money Laundering in the Securities and Futures Sector (2022 Revision)*, and other relevant laws, regulations and regulatory requirements. We have formulated management policies including the *Business Integrity Management Measures*, *Internal Control Measures for Anti-Money Laundering and Counter-Terrorism Financing*, and *Implementation Rules for Money Laundering Risk Management*, refining the organisational structure and division of responsibilities for integrity management and anti-money laundering management, effectively strengthening the Company's integrity management and anti-money laundering work, promoting the Company's healthy development, and protecting the legitimate rights and interests of investors.

### CSC's Governance Structure for Integrity and AML Management

<ul style="list-style-type: none"> <li>The Board determines the objectives and overall requirements for integrity management and assumes responsibility for its effectiveness.</li> <li>The Company's Party Committee fulfils its primary responsibility for comprehensively and strictly governing the Party and strengthens its leadership over integrity management.</li> </ul>	<ul style="list-style-type: none"> <li>The Board provides overall leadership for the Company's anti-money laundering work and assumes ultimate responsibility, and makes decisions on major matters related to anti-money laundering.</li> </ul>
<ul style="list-style-type: none"> <li>The Company's Discipline Inspection Commission fulfils its supervisory responsibility for comprehensively and strictly governing the Party, assists the Company's Party Committee in advancing the comprehensive and strict governance of the Party, strengthening Party conduct and integrity, and coordinating anti-corruption efforts.</li> </ul>	<ul style="list-style-type: none"> <li>The Audit Committee assumes supervisory responsibility for the Company's anti-money laundering work, oversees and inspects the performance of duties by the Board and the Anti-Money Laundering Management Committee in anti-money laundering work and urges rectification, and provides recommendations and opinions on the Company's anti-money laundering work.</li> </ul>
<ul style="list-style-type: none"> <li>The Integrity Management Leading Group, headed by the Chairman, is responsible for defining the Company's integrity management policies and studying and deploying major related matters;</li> <li>The senior management is responsible for implementing the objectives of integrity management and is accountable for ensuring integrity in operations.</li> </ul>	<ul style="list-style-type: none"> <li>The Anti-Money Laundering (AML) Management Committee, chaired by the Chairman of the Board, represents the management in implementing the Board's resolutions on AML matters and assumes responsibility for decision-making and implementation of the Company's AML work.</li> <li>The Chief Compliance Officer leads AML work, independently performs compliance supervision duties, and reports major risk matters to the Board and senior management.</li> </ul>
<ul style="list-style-type: none"> <li>Leaders at all levels shall strengthen the management of business integrity and AML for their respective units and staff, and bear corresponding management responsibilities within their respective scopes of duties.</li> </ul>	

## ↳ Strategy

The Company adheres to an integrity management system featuring 'ex-ante control, in-event control and ex-post accountability', refines the policy systems for integrity and AML management, strengthens system support, training and communication, and supervision and accountability, and promotes the integration of a culture of integrity throughout the entire business process, effectively preventing integrity and money laundering risks and safeguarding high-quality development.

### Analysis of CSC's Risks in Anti-Commercial Bribery and Anti-Corruption and Response Strategies

Risk type	Risk analysis	Impact timeframe	Expected Financial impact	Response strategies
Policy and legal risks	If commercial bribery, corruption, or money laundering occurs in our business operations, we will face penalties including the suspension of relevant business qualifications, which will trigger the withdrawal of funds.	Short, medium, and long term	Increased compliance costs Decreased revenue	<ul style="list-style-type: none"> <li>Continuously improve and enhance the integrity and AML management system.</li> <li>Promote capacity building and awareness development for integrity and AML.</li> </ul>

## ⇒ Impact, Risk and Opportunity Management

CSC continuously identifies integrity risk points, and continues to strengthen and improve the integrity management system featuring 'ex-ante control, in-event control and ex-post accountability'. We improve internal control mechanisms, foster a culture of compliance, carry out integrity risk assessments, and enhance our internal integrity management and risk control capabilities.

### CSC's Measures and Achievements in Integrity Management in 2025

#### Ex-ante control

- Continued to strengthen the institutional framework for integrity and compliance in professional conduct, improved internal control mechanisms, and enhanced checks and balances across roles.
- Took the lead in carrying out warning and education activities, and mobilised all departments to collect and analyse internal and external cases involving breaches of regulations, disciplinary offences, and illegal activities, and to establish case databases.
- Organised two rounds of briefings, covering both leading cadres and all employees, addressing both lessons learned from cases and interpretations of disciplinary and legal provisions.
- Organised the 2025 integrity and training, achieving 100% employee coverage.
- Published 87 education materials via the WeCom 'Discipline Inspection Garden' platform, and delivered disciplinary reminders ahead of public holidays and festivals.

#### In-event control

- Pushed departments and subsidiaries to continuously identify business integrity-related risks and improve internal control mechanisms for integrity risks to realise effective risk identification and management and required them to report any detected violations and the relevant corrective measures taken.
- To thoroughly implement the spirit of the CPC Central Committee and the regulatory requirements of the securities industry on integrity in practice, effectively prevent integrity-related risks, and safeguard the order of the financial market, the Company conducts an annual assessment of the effectiveness of internal controls over integrity management in accordance with regulatory requirements, including the Provisions on Integrity in Practice by Securities and Futures Business Institutions and Their Staff, the Implementation Rules for Integrity in Practice by Securities Business Institutions and Their Staff, the Administrative Rules for Directors, Supervisors, Senior Management Personnel and Practitioners of Securities Companies, the Code of Professional Ethics for Securities Practitioners, the Guidelines for Internal Control of Securities Companies, as well as the Company's Administrative Measures for Integrity in Practice and other relevant requirements. In 2025, the Audit Department assessed the effectiveness of the Company's internal control system for integrity in practice for 2024. The audit assessment covered the Company's headquarters, branches and subsidiaries, mainly including principal business lines such as brokerage business, investment banking business, proprietary business, credit business, asset management business, custodian business and research services, as well as relevant middle- and back-office departments such as IT Department, Operation Management Department, Human Resources Department, General Management Department, Risk Management Department, Legal and Compliance Department, and Audit Department, together with the corresponding operational processes of five subsidiaries, namely China Futures, China Fund, China Capital, China Securities Investment and China Securities International.
- Established a sound management system for the reporting of irregularities, standardizing petition and complaint handling from multiple dimensions, including Party member discipline, employee professional conduct, and customer complaints. In accordance with the *Interim Measures for Handling Petition and Complaint Reports* by the Discipline Inspection Commission, the Discipline Inspection Commission Office is responsible for the centralized management of such reports on behalf of the Company's Discipline Inspection Commission, setting up multiple reporting channels, such as telephone hotlines and mailboxes. The office works in collaboration and coordination with other relevant departments, such as the General Office, Human Resources Department, and Legal and Compliance Department, to promote effective management of reports on violations within the Company.

#### CSC's Violation Reporting Channels

Office OA system	"Discipline Inspection Commission Suggestion Box" and "Employee Suggestion Box" windows on the system homepage
Email	jwbgs@csc.com.cn
Reporting hotline	010-56050045; 010-56050046; 4008 888 108
Mailing address for reporting	Discipline Inspection Commission Office of CSC, 84th Floor, CITIC Tower, No. 10 Guanghua Road, Chaoyang District, Beijing

#### Ex-post accountability

- Strictly handled violations and disciplinary breaches in accordance with national laws, regulations, and the Company's *Business Integrity Management Measures*, refining the accountability mechanism to ensure responsibilities are effectively enforced.
- The Discipline Inspection Commission Office strictly implemented confidentiality requirements, ensuring that the contents of petitions and the identities, work units, addresses, and other relevant details of petitioners are kept strictly confidential. Except for specified matters, it is strictly prohibited to transfer petition materials or disclose information to the organization or individuals being investigated or accused. The Discipline Inspection Commission Office is prohibited from disclosing or making public the identities of petitioners during the acceptance of petitions, investigation, publicity and reporting, case notifications, or warning education activities.
- Prohibited any department, institution, or individual from retaliating against whistleblowers under any pretext and imposed heightened penalties on any violations in accordance with relevant disciplinary provisions.

In terms of AML management, in 2025, we strictly implemented the requirements of the Central Financial Work Conference and the Central Economic Work Conference, strengthening our sense of responsibility, continuously enhancing our professional capabilities and systematic control framework, and continuously improving our capabilities in identifying, monitoring, and managing money laundering risks. We deepened AML training and capability building, carried out multi-level AML publicity and education initiatives, and provided strong support for the Company's high-quality development.

### CSC's Measures and Achievements in AML Management in 2025

#### Strengthen AML governance and policy development

- The Company's Board, and AML Management Committee reviewed and approved various AML working materials, strengthening governance accountability.
- Fully benchmarked against the new supporting regulations under the *Anti-Money Laundering Law*, revised, and issued internal control policies on customer due diligence and reporting of large-value and suspicious transactions.
- Improved the same-customer management system by incorporating direct sales customers of the asset management business into unified management on the All-in-One Counter system.

#### Advance system upgrades and strengthen risk management and control capabilities

- Successfully completed the AML system, comprehensively restructured system functions, and enhanced technical support capabilities.
- Carried out a special inspection on the money laundering risk rating assessment for high-risk customers and a self-inspection of suspicious transaction analysis, strengthening the accuracy of risk identification.
- Improved the customer due diligence management mechanism and workflow, strictly adhered to the 'Know Your Customer' principle, fulfilled our duties diligently, and adopted corresponding due diligence measures for customers, business relationships, or transactions with different money laundering or terrorist financing risk characteristics.
- Properly received to the regulatory visit by PBOC Beijing Branch, comprehensively demonstrating the effectiveness of internal controls and system and mechanism development.

#### Deepen AML training and capacity building

- In 2025, we carried out more than 1,300 AML training sessions, covering nearly 40,000 person-times. The training focused on key and challenging areas such as the new *Anti-Money Laundering Law*, customer due diligence, and high-risk customer management.
- On-site thematic training was conducted for high-risk regions and branches with concentrated issues, in formats including lectures, hands-on drills, experience sharing, and online courses.
- The trainees covered responsible departments at headquarters and frontline employees at branches, effectively communicating management requirements and addressing implementation challenges.

#### Carry out multi-tiered AML publicity and education

- Continued to carry out centralised publicity activities for Anti-Money Laundering Day on 16 June and 19 September, and launched a dedicated publicity campaign for the new *Anti-Money Laundering Law*.
- All levels of branches produced more than 300 original publicity materials, and distributed 50,000 copies of publicity materials.
- Various publicity activities reached over one million members of the public, effectively fulfilling our social responsibilities for AML publicity and education as a financial institution.

## ↳ Metrics and Targets

The Company sets clear management targets around anti-commercial bribery and anti-corruption, focusing on core metrics such as full coverage of integrity and AML training, zero corruption litigation, and zero major non-compliance incidents. We continue to strengthen employee conduct standards and the bottom line of compliance to ensure that anti-commercial bribery and anti-corruption and AML management are effectively implemented.

### CSC's Anti-Commercial Bribery and Anti-Corruption Metrics and Targets in 2025

Metric	Performance in 2025	Target	Target achievement in 2025
Employee coverage rate of business integrity training	100%	100%	Achieved
Employee coverage rate of AML training	100%	100%	
Number of concluded corruption lawsuits filed against the Company or their employees during the reporting period	0	0	
Number of incidents violating AML or insider trading prevention laws and regulations	0	0	

## Anti-Unfair Competition

CSC places great importance on fair competition in business operations. In compliance with relevant laws and regulations, the Company continuously implements and refines measures for intellectual property (IP) and trade secret protection, striving to uphold a fair competitive environment in its business activities.

The Company complies with laws and regulations including the *Anti-Unfair Competition Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, the *Patent Law of the People's Republic of China*, and has formulated policies including the *Trade Secret Protection Measures*, the *Intellectual Property Management Measures*, and the *News and Publicity Management Measures*, and established supporting systems related to publicity, promotion, and marketing management across various business lines, continuously improving its intellectual property and trade secret protection management, so as to ensure that its innovation achievements and trade secrets are fully protected by law while preventing the occurrence of infringement.

In 2025, the Company focused on anti-unfair competition practices, and coordinated the advancement of key tasks such as intellectual property protection, software legalisation, standardised use of the brand, compliance management of business publicity, as well as confidentiality and data security. By refining policies, strengthening training and communications, and enhancing working mechanisms, we comprehensively enhanced employees' compliance awareness and risk prevention and control capabilities. In 2025, the Company did not encounter any lawsuits or major penalties due to intellectual property infringement or trade secret breaches, effectively safeguarding the fair competition order and its corporate reputation.

### CSC's Key Measures in Anti-Unfair Competition in 2025

- Delivered to all employees an '*Interpretation of Key Provisions of the Intellectual Property Management Measures of BCSC Financial Co., Ltd. (2025 Edition) and Intellectual Property Risk Prevention and Control Training*' based on the revisions to the *Intellectual Property Management Measures*, enhancing employees' awareness of intellectual property protection and preventing infringement risks.
- Released the 2025 Work Plan for Licensed Software Management to all employees to reinforce the Company's achievements in software legalisation, improve long-term mechanisms, and strengthen supervision and inspections
- Based on the *News and Publicity Management Measures*, implemented a unified management and review mechanism for the Company's news releases and external communications, so as to prevent risks relating to unfair competition and non-compliant information release.
- Strengthened ex-ante compliance review requirements for promotional materials across all business lines and standardised product marketing and promotional activities in accordance with the *Management Measures for Marketing and Promotion of Agency Financial Products*, *Management Rules for Marketing and Promotion Brokerage and Investment Advisory Business*, *Management Guidelines for the Marketing Materials of Customer-facing Business*, and *Management Guidelines for Marketing and Promotional Materials of Publicly Offered Collective Products*.

### Building a Trade Secret Protection Training System Covering All Employees



In 2025, we proactively implemented the requirements of the *Trade Secret Protection Measures* through tiered and categorised training arrangements covering all employees, standardising the use, management, and protection of trade secrets.

In March 2025, we organised on-site training on trade secret protection and management requirements for key personnel, and simultaneously provided online learning for all employees, systematically explaining the criteria for defining trade secrets, usage standards, and legal liability requirements, thereby strengthening employees' awareness of using business information in accordance with laws and regulations.

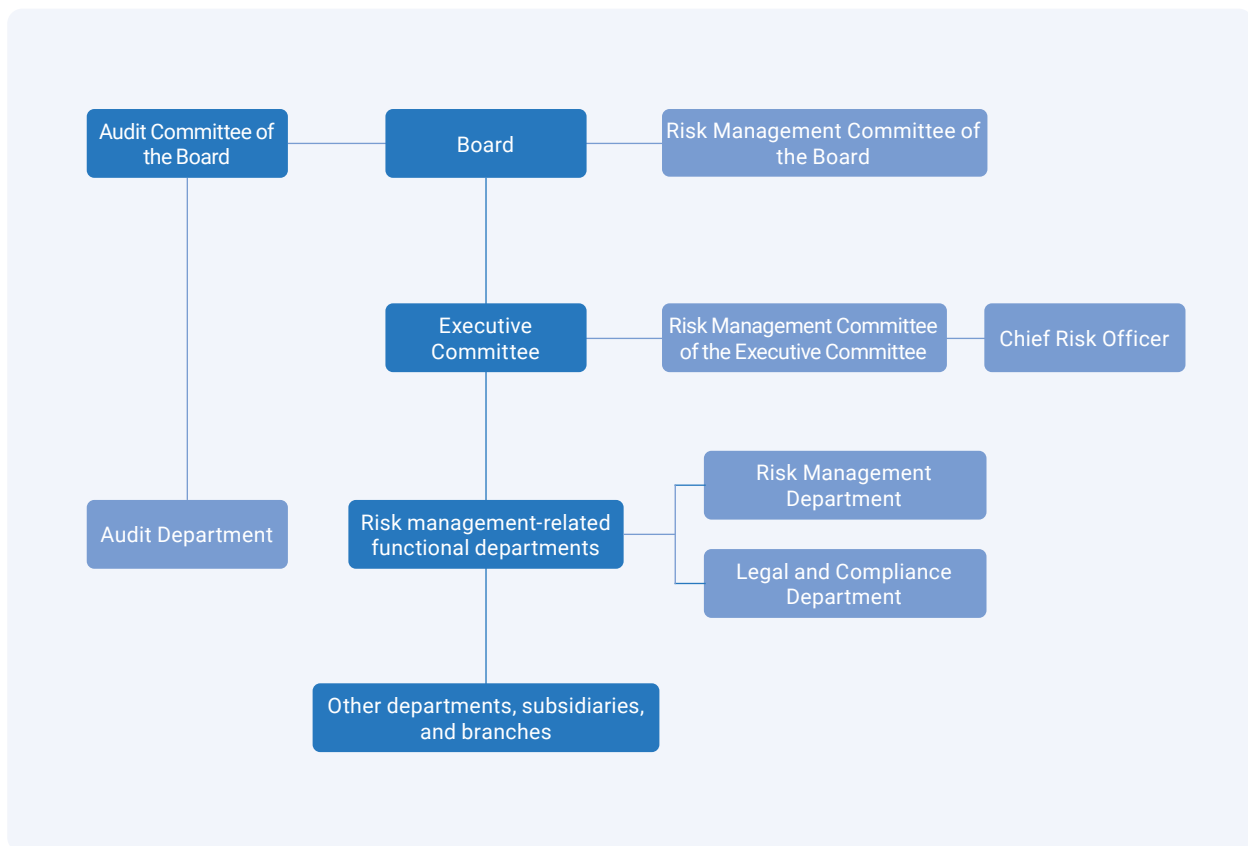
In May of the same year, we carried out the annual confidentiality education and training for all employees, focusing on confidentiality laws and regulations, typical non-compliance cases, and key points for risk prevention and control, further clarifying the boundaries of responsibility for trade secret protection, and strengthening employees' understanding of the legal consequences of improperly obtaining, disclosing, or using business information.

# Comprehensive Risk Management

## ↳ Governance

CSC strictly complies with the requirements of laws, regulations, and regulatory requirements including the *Regulations on the Supervision and Administration of Securities Companies* and *Comprehensive Risk Management Regulations for Securities Companies*. It has established and been continuously revising and improving a policy framework centred around the *Comprehensive Risk Management Measures*, and has built a comprehensive risk management organisational structure featuring decision-making by the Board, overall coordination by the Executive Committee, collaboration among professional departments, and participation by all employees, clarifying the responsibilities at each level, and forming a risk management system with clearly defined powers and responsibilities and effective checks and balances.

CSC's Governance Structure for Comprehensive Risk Management



## ↳ Strategy

With 'health' being a fundamental element of our development approach, the Company adopts a business philosophy of 'risk control first and risk control by all', ensuring that risks are measurable, controllable, and tolerable. It reasonably balances the relationship between risks and returns, achieves effective risk control and strong development promotion, and gradually builds risk management into an integral part of our core competitiveness.

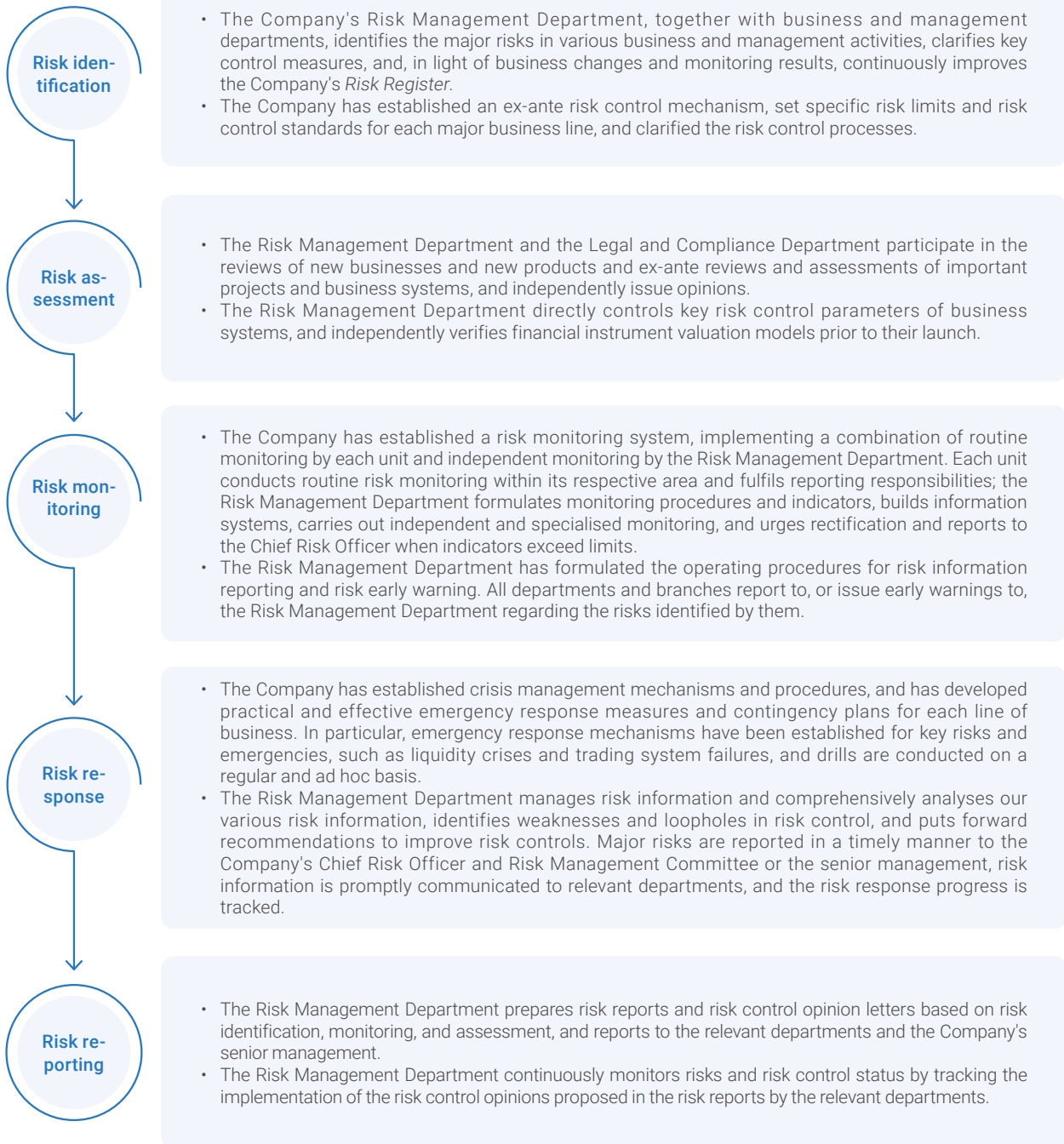
## Analysis of CSC's Risks in Comprehensive Risk Management and Response Strategies

Risk type	Risk analysis	Impact timeframe	Expected Financial impact	Response strategies
<b>Strategic risk</b>	Changes in external policies, the economy, and the technological environment may deviate from the Company's strategic direction, affecting the achievement of our long-term development goals.	Medium and long term	Decreased revenue	<ul style="list-style-type: none"> <li>Formulate development plans centred on serving national strategies and the real economy, and establish a strategic management organisation and processes.</li> <li>Continuously track macroeconomic conditions, industry policies, technological progress, and market changes, conduct strategic risk assessments, and dynamically adjust our strategy and response measures based on the assessment results.</li> </ul>
<b>Credit risk</b>	Counterparty or target company default, impairment in the value of collateral, or deterioration in a customer's creditworthiness may result in financing or investment losses.	Short, medium, and long term	Decreased revenue	<ul style="list-style-type: none"> <li>Implement customer credit reporting and creditworthiness assessment, credit granting, and limit management.</li> <li>Monitor the market on a daily basis, provide risk alerts, enforce margin calls, and pursue legal actions when necessary.</li> <li>Establish internal rating and post-investment tracking mechanisms.</li> <li>Apply stress testing and sensitivity analysis for risk monitoring.</li> </ul>
<b>Liquidity risk</b>	Sudden changes in the market or financing environment may prevent us from obtaining sufficient funds in a timely manner and at a reasonable cost to meet our repayment obligations.	Short, medium, and long term	Increased default costs	<ul style="list-style-type: none"> <li>Establish a tiered authorisation and centralised management mechanism, implement liquidity limit management and position analysis, and allocate sufficient high-liquidity assets.</li> <li>Improve FTP (Funds Transfer Pricing) management, stress testing, and liquidity contingency arrangements.</li> </ul>
<b>Market risk</b>	Adverse fluctuations in market prices such as interest rates, share prices, and exchange rates may lead to a significant decline in the fair value of our proprietary investment portfolio.	Short, medium, and long term	Decreased revenue	<ul style="list-style-type: none"> <li>Implement comprehensive risk limit management and monitor the market on a daily basis.</li> <li>Use VaR (Value at Risk), sensitivity analysis, and stress testing to establish valuation models, stop-loss mechanisms, and front-office risk controls. Manage foreign exchange risk through foreign exchange exposure controls and hedging instruments.</li> </ul>
<b>Operational risk</b>	Deficiencies in internal processes, human error, system failures, or external events may trigger business disruptions or financial losses.	Short, medium, and long term	Increased operating costs	<ul style="list-style-type: none"> <li>Establish the 'three lines of defence' and the front-, middle-, and back-office segregation mechanism, and improve policies and procedures as well as the accountability system.</li> <li>Carry out operational risk monitoring, assessment, self-assessment, and thematic training, and strengthen business continuity management.</li> </ul>
<b>Information technology risk</b>	System vulnerabilities, data leaks, cyberattacks, or failures of disaster recovery and business continuity arrangements may affect transaction security and business continuity.	Short, medium, and long term	Increased operating costs	<ul style="list-style-type: none"> <li>Implement a tiered system management framework and centralised data backup, and strictly manage access permissions and audit trails.</li> <li>Promote the development of the data governance system, and improve system monitoring and information technology emergency management.</li> </ul>
<b>Legal and compliance risks</b>	Contractual defects, changes in regulatory rules, or business violations may result in penalties, litigation, or reputational damage.	Short, medium, and long term	Increased operating costs	<ul style="list-style-type: none"> <li>The Legal and Compliance Department centrally manages legal and compliance affairs, appoints compliance administrators, and carries out compliance reviews, monitoring, and inspections.</li> <li>Embed compliance management into the entire business process and strengthen compliance culture development.</li> </ul>
<b>Reputational risk</b>	Negative public opinion, customer complaints, or improper information release may damage our corporate image and investors' trust.	Short, medium, and long term	Increased operating costs	<ul style="list-style-type: none"> <li>Establish a reputational risk management mechanism, and standardise information release and the news spokesperson system.</li> <li>Implement public opinion monitoring and tiered response measures, and improve complaint handling and stakeholder communication mechanisms.</li> </ul>

## ↔ Impact, Risk and Opportunity Management

We adhere to the basic principles of 'full coverage, forward-looking, holistic, effectiveness, and matching' in risk management based on our own business development needs, changes in the market environment, and regulatory requirements, continuously improve our risk management system, and have established risk management processes covering risk identification, assessment, monitoring, response, and reporting, thereby enhancing our risk management capabilities.

### CSC's Full-process Risk Management Process



In 2025, we systematically advanced comprehensive risk management, optimised policies and procedures, improved tools and models, and strengthened capital and early-warning management. We also solidly promoted key tasks including consolidated management, investment banking risk control, ESG risk prevention and control, and unified credit granting. Through compliance conferences, warning education, themed training, and peer exchanges, we deepened the development of our risk culture, comprehensively enhanced our risk prevention and control capabilities, and safeguarded the Company's high-quality development.

### CSC's Measures and Achievements in Comprehensive Risk Management in 2025

#### Solidly advance key risk management initiatives

- Optimised and improved the risk management system and processes, and continuously enhanced the Company's comprehensive risk management system.
- Fully improved various risk management tools, methods, and models, and enhanced the scientific rigour and accuracy of risk identification, measurement, and response.
- Further advanced refined capital management, strengthened net capital monitoring, five-year capital planning, and dynamic adjustment and control of risk limits, and safeguarded steady business development.
- Optimised the risk early warning framework by integrating macro-level assessments, intelligent analysis of public opinions, and systematic tracking mechanisms, thereby comprehensively enhancing the insight and effectiveness of risk early warnings.

#### Proactively implement work on special topics

- Continued to improve the consolidated management mechanism and formulated the *Consolidated Management Measures*, upgraded the dynamic monitoring system, and strengthened risk control and business support for subsidiaries through risk control and compliance inspections, integrated process optimisation, and empowerment from headquarters.
- Strengthened risk management for investment banking business, improved internal control systems and processes, increased on-site verification efforts for high-risk projects, deepened practice quality management, and enhanced investment banking personnel's professional capabilities and risk awareness through regular training.
- Actively advanced customer ESG risk management, established a high ESG risk list and due diligence guidelines, optimised climate risk monitoring and stress testing tools, and embedded ESG compliance reviews into unlisted equity investments, supporting the improvement of MSCI ESG ratings.
- Strengthened unified credit granting management, implemented concentration risk limit requirements, improved the customer credit granting matrix and exceedance handling mechanism, and revised the rules of procedure for the Large-Value Credit Review Committee, improving approval efficiency and supporting business development while effectively preventing and controlling risks.

#### Risk Culture Education and Training

- Organised the company-wide compliance and risk control conference in March.
- Conducted new-type risk warning education via the WeChat official account, released three issues of ESG risk education reminders, recorded the Company's risk management training videos, and incorporated them into the annual continuing professional training courses for securities practitioners.
- Organised training and research related to Hong Kong investment banking business, and training on the credit risk management framework and concepts for futures companies, participated in an essay competition organised by the CAPCO and received an excellent internal control case award.
- We actively conducted research and exchange on comprehensive risk management systems with industry peers, and carried out in-depth learning, benchmarking, and mutual enhancement in key areas of risk management and management practices for key business lines.

## Conducting a Special Audit on Comprehensive Risk Management to Strengthen the Foundations for Risk Prevention and Control



In 2025, the Company organised and carried out a special audit on comprehensive risk management, focusing on the development of the comprehensive risk management system, as well as the identification, assessment, monitoring, response, and reporting mechanisms for major risk types such as liquidity risk, market risk, credit risk, operational risk, and reputational risk. It also reviewed the full coverage of risk management across subsidiaries. Prior to the audit, a special plan was formulated, with sampling inspections carried out in key risk areas. Issues identified were uniformly incorporated into the rectification process, with dedicated positions providing end-to-end supervision and follow-up to ensure closed-loop rectification.

Through this audit, the Company systematically reviewed the effectiveness of risk management, promoted continuous optimisation of risk governance mechanisms, strengthened its risk management and control capabilities, and provided a solid safeguard for the steady operation of its business and high-quality development.

### ↳ Metrics and Targets

In 2025, the Company adhered to the principles of matching risk with return and of measurable and controllable risks, and our risk appetite remained prudent and robust. The Company formulated various types of risk tolerance, covering quantitative targets for market risk, credit risk, liquidity risk, compliance risk, operational risk, and reputational risk, and achieved the relevant targets in 2025.

#### CSC's Targets for Comprehensive Risk Management and Target Achievement in 2025

Risk type	Management targets	Achievement status
Market risk	<ul style="list-style-type: none"> <li>The maximum loss borne by the proprietary investment portfolio does not exceed a certain percentage of net capital.</li> </ul>	In 2025, the Company achieved all the targets.
Credit risk	<ul style="list-style-type: none"> <li>The maximum credit exposure and loss given default to the same customer does not exceed a certain percentage of net capital.</li> </ul>	
Liquidity risk	<ul style="list-style-type: none"> <li>Leverage ratio levels and the scale of liquid asset reserves are under control.</li> </ul>	
Compliance risk	<ul style="list-style-type: none"> <li>No major compliance risk incidents, or major illegal or non-compliant matters occur.</li> </ul>	
Operational risk	<ul style="list-style-type: none"> <li>Operational risk events that have a significant negative impact on the company's secure operation, economic interests, or reputation, particularly major production safety accidents, significant data breaches, major information security incidents, and the concentrated loss of key talent in critical positions, are prevented.</li> <li>The number of significant risk incidents is under control.</li> </ul>	
Reputational risk	<ul style="list-style-type: none"> <li>No major reputational incidents occur.</li> </ul>	

- The Company has been included as one **of the six securities companies** in the CSRC's Consolidated Supervision Pilot Programme since 2020.
- The Company first participated in S&P's sustainability assessment in 2021 and received a BBB+/Stable credit rating. It is the first company in China to receive and publicly disclose the highest credit ratings from all of the world's three major authoritative rating agencies (S&P, Moody's, and Fitch Ratings): BBB+ from S&P, Baa1 from Moody's, and BBB+ from Fitch Ratings, all with a continuously stable outlook.

# Operational Compliance

## ↳ Governance

CSC complies with the relevant provisions of laws, administrative regulations, and the requirements of regulatory authorities and self-regulatory organisations, including the *Measures for the Compliance Management of Securities Companies and Securities Investment Fund Management Companies (2020 Revision)* and the *Implementation Guidelines for Compliance Management of Securities Companies (2025 Revision)*. It has formulated internal management policies such as the Compliance Management Measures and the Compliance Manual, established a sound compliance management system, clarified compliance responsibilities at all levels, and steadily advanced various compliance management tasks.

### CSC's Governance Structure for Operational Compliance

Level	Organisation	Responsibilities
<b>Decision-making and supervisory level</b>	Board	<ul style="list-style-type: none"> <li>Review and approve the basic compliance policies and annual compliance reports.</li> <li>Decide on compliance management objectives, as well as the appointment, performance evaluation, and remuneration of the Chief Compliance Officer.</li> <li>Supervise the senior management in effectively implementing compliance management.</li> <li>Safeguard the independence of the Chief Compliance Officer and the Legal and Compliance Department.</li> <li>Assess the effectiveness of compliance management and urge the resolution of compliance management issues.</li> </ul>
<b>Management level</b>	Chief Compliance Officer	<ul style="list-style-type: none"> <li>Review and supervise the compliance of the Company's business management and practice activities, as well as those of its employees.</li> <li>Organise the formulation of compliance management policies and supervise their implementation.</li> <li>Review internal management policies, major decisions, and proposals for new products and new businesses.</li> <li>Organise the implementation of the Company's conflict of interest management, anti-money laundering and information barrier systems.</li> <li>Cooperate with regulatory inspections, and follow up on and implement regulatory requirements.</li> </ul>
<b>Executive level</b>	Legal and Compliance Department	<ul style="list-style-type: none"> <li>Develop compliance policies and annual work plans, and promote their implementation.</li> <li>Provide compliance advice, organise training, and guide the understanding of regulatory requirements.</li> <li>Provide compliance advice on new products and new businesses, and identify and assess compliance risks.</li> <li>Review and assess the compliance of policies and procedures, and supervise their improvement.</li> <li>Monitor suspicious transactions, information barriers, and employees' professional conduct.</li> <li>Be responsible for specialised compliance management, such as anti-money laundering and conflicts of interest.</li> <li>Timely handle investigations into major violations and compliance accountability matters.</li> </ul>
	Compliance officers at headquarters departments, branches, and subsidiaries	<ul style="list-style-type: none"> <li>Bear direct responsibility for the compliance of respective business operations and professional conduct.</li> <li>Proactively identify, prevent, and control day-to-day compliance risks.</li> <li>Promptly report any risks or non-compliant conduct identified.</li> <li>Cooperate with investigations, accept accountability, and implement rectification requirements.</li> </ul>

## ↳ Strategy

CSC faces multiple challenges arising from tightening regulation, profound changes in the industry landscape and increasing business complexity. With the intensive introduction of new regulations, the New National Nine Positive Stimuli and the new rules on classification-based evaluation have imposed higher requirements on compliance and risk control capabilities. The regulatory approach has shifted from ex post punishment to look-through supervision, full-chain accountability and high-quality development, placing more stringent, broader and stricter requirements on the soundness of the Company's compliance system, the effectiveness of risk control and the execution of internal controls. Compliance capabilities have thus become a core threshold directly affecting the Company's rating, business access and long-term development. Coupled with the needs of business transformation and evolving regulatory orientation, internal and external pressures have overlapped, significantly increasing the difficulty of compliance management.

Against this backdrop, the Company continuously strengthened its risk identification capabilities, improved its compliance management system, upheld the interests of investors as the core, reinforced the leading role of compliance, and actively responded to multiple challenges such as tightening regulation and business transformation, thereby empowering the Company's high-quality development through stronger compliance competitiveness.

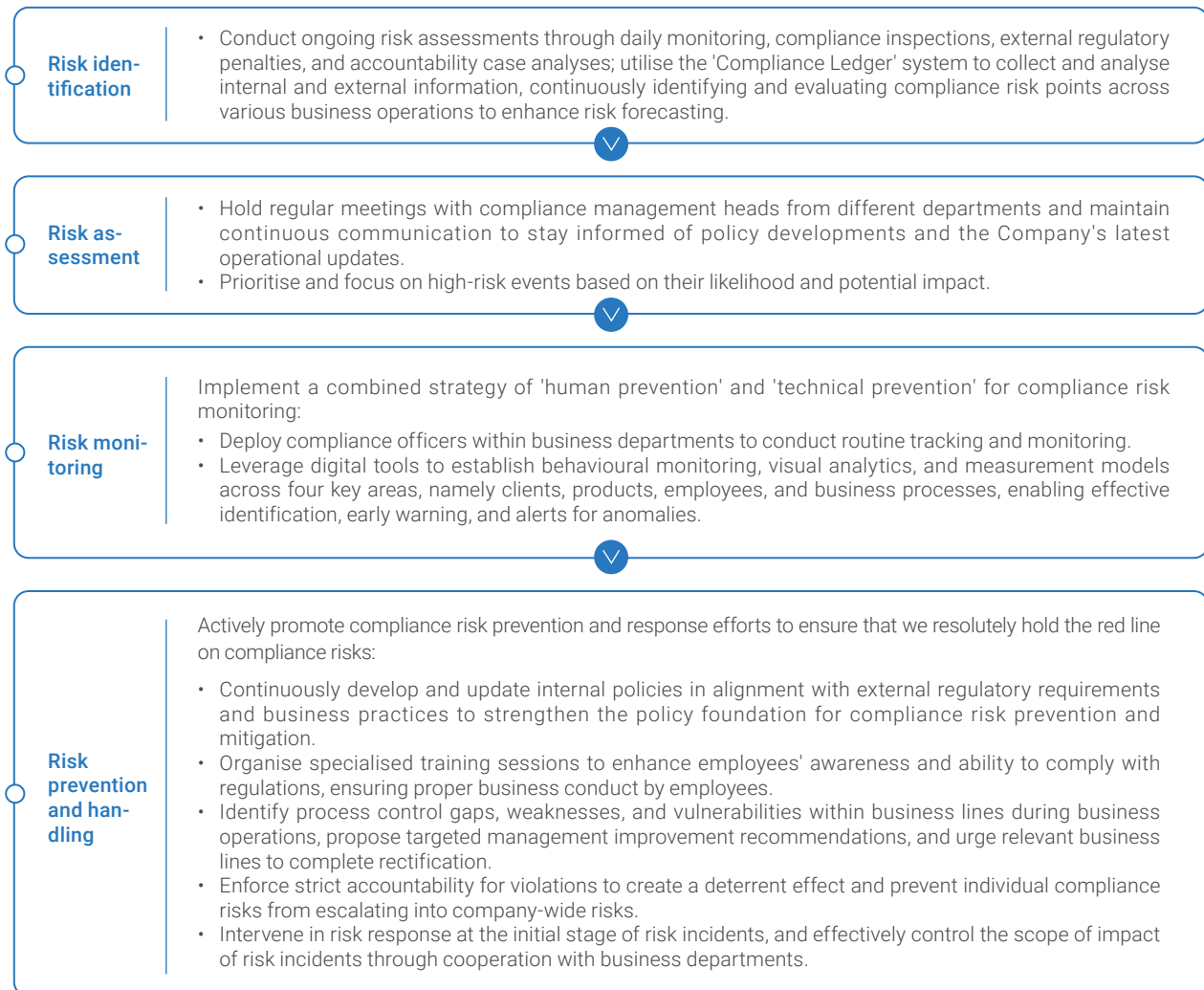
### Analysis of CSC's Risks in Operational Compliance and Response Strategies

Risk type	Risk analysis	Impact timeframe	Expected Financial impact	Response strategies
Policy and legal risks	Any compliance deficiencies within the Company may lead to penalties, resulting in customer loss, increased financing costs, or disruptions to operations, which could have negative financial impacts.	Medium and long term	Increased compliance costs Decreased revenue	<ul style="list-style-type: none"> <li>Improve the compliance management system, optimise internal control mechanisms, and strengthen the coordination of the three lines of defence.</li> <li>Coordinate and advance institutional development, technology development and capability building, and comprehensively enhance the level of compliance and risk control management.</li> </ul>

### ↳ Impact, Risk and Opportunity Management

We have established a relatively sound process for the identification, assessment, monitoring, prevention and handling of compliance risks, so as to ensure compliant day-to-day operations of the Company.

#### CSC Operational Compliance Risk Management Process



In 2025, we leveraged culture as the foundation, systems as the cornerstone, talent as the support, closed-loop risk management, and digital enablement as key levers to systematically advance the development of our compliance management system, comprehensively strengthen the management and control of employee conduct, responses to major risks, and technology enablement, and continue to enhance the consistency, accuracy, and foresight of our compliance management.

### CSC's Compliance Operation Measures in 2025

#### Strengthen the foundations of compliance culture and institutional systems

- Revised, organised, and arranged for all employees to sign the *Compliance Commitment Letter*, clearly prohibiting improper conduct such as corruption, commercial bribery, insider trading, and money laundering.
- Deepened compliance culture development through compliance training, quarterly newsletters, reminders, and accountability measures, improved internal systems across all business lines, including authorisation management, job responsibilities, supervision, and performance evaluation, and strengthened information barriers and conflicts of interest management.

#### Systematically advance the key tasks in compliance management

- Comprehensively reviewed key compliance and risk control priorities, and organised all departments to formulate the Ten Key Compliance Management Initiatives.
- Promoted the optimisation of the institutional system, clarified and strengthened responsibilities, advanced the establishment of an end-to-end accountability mechanism and compliance management enhancement initiatives, accelerated digital transformation, and reinforced the risk prevention and control system.

#### Strengthen employee conduct and access control management

- Applied digital tools to manage the negative list for key professionals, track professional behaviour profiles, and monitor investment behaviours.
- Improved the employee assessment, rewards and penalties mechanism, promoted special initiatives on authority management, optimised job responsibilities and authority processes, and clarified the boundaries of duty performance.

#### Improve and refine the mechanisms for responding to major risks and managing cases

- Urged business departments to establish mechanisms for the identification, assessment, monitoring, and reporting of major risks, and clarify the emergency decision-making process.
- Took the lead in advancing the handling of major risk projects and the standardised management of litigation cases, and required the advanced development of contingency plans for handling customer complaints, arbitration, and losses.

#### Accelerate the digital transformation of compliance management

- Required all business lines to strengthen the operability of modules and identification logic by establishing, among other measures, a centralised operations system and a centralised quality control system, complete metric modelling and comprehensive cross-checking and comparative analysis of business data, and enhance the digitalised and systematised level of risk management and internal control.
- Continued to enhance the intelligence level of compliance management tools and strengthen our capability for the digital identification of compliance risks, leveraged digital tools such as the business compliance risk cockpit and the unified monitoring system for abnormal behaviours to improve the efficiency of compliance management and achieve early monitoring, early identification, and early handling of risks.

## Advancing Compliance Culture Development on Multiple Fronts, and Strengthening the Foundation of Compliance Awareness across All Employees



In 2025, the Company systematically advanced compliance culture development, convened the annual compliance and risk control conference, comprehensively deployed work tasks, and consolidated the management responsibilities at all levels.

It issued the work plan for a new round of cultural development and organised risk and compliance lectures delivered by top leaders, encouraging business heads to take the lead in communicating the core risks and response measures in their respective areas. Managers at middle and above levels were organised to participate in the Company's legal and regulatory knowledge examination, giving full play to the demonstrative role of the 'key decision-makers'. Meanwhile, the Company required all employees to sign the updated *Compliance Commitment Letter* and conducted themed training, while also carrying out studies on *Professional Ethics in the Securities Industry* and warning education based on typical employee conduct cases. In addition, by hosting the 'Compliance and Me' essay competition, the Company collected frontline compliance practice stories to enhance employees' sense of recognition and engagement. Through multiple channels such as compliance reminders, the *Compliance Briefing*, and new regulation interpretations, the Company has built a comprehensive, multi-dimensional compliance awareness system.

The Company integrated the compliance concept into organizational culture and daily behaviour through a combination of policy guidance, senior management example, full employee participation, and diverse communication channels. This approach effectively has enhanced employees' awareness of compliance and their proactive actions, creating a positive ecosystem of 'everyone practicing compliance and adhering to rules' for high-quality development.



Training session on legal risk prevention in personnel management

### ➔ Metrics and Targets

We focus on our operational compliance targets and work to strengthen the operational effectiveness of the compliance management system, with a particular focus on advancing risk mitigation, middle-office capability building, compliance training and communication, professional legal support, and integrated parent-subsidiary compliance management, thereby comprehensively enhancing the consistency, synergy, and effectiveness of compliance management.

#### CSC's Operational Compliance Targets and Target Achievement in 2025

Target	Target achievement in 2025
Strengthen compliance control over key business lines.	<ul style="list-style-type: none"> <li>The Company's compliance management system has been strengthened and operates effectively, and no major compliance risk events occurred in the Company or its subsidiaries.</li> <li>Through policy development, business management processes have become clearer, with responsibilities and work standards further clarified.</li> <li>A total of 187 compliance training sessions were held, covering approximately 120,000 attendances, with 100% employee coverage.</li> </ul> <p style="text-align: center;">Achieved</p>
Continuously optimise policy management.	
Properly advance the mitigation of various types of risks, and protect the interests of customers and us to the greatest extent possible.	
Strengthen the development of the quality control and compliance middle platform and the management of compliance personnel, and continue to enhance the ability of the quality control and compliance middle platform to perform its duties across all business lines.	
Extensively carry out compliance training and continue to strengthen the development and communication of a compliance culture.	
Strictly control compliance risks, continuously provide professional legal support for each business line, and provide professional compliance assurance for the Company's business development.	
Continue to optimise the integrated compliance management working model for the parent company and subsidiaries, and ensure integrated compliance control over the business operations of overseas subsidiaries.	

# ESG Data Tables and Notes

## Economic Performance Table<sup>1</sup>

Metric	Unit	2023	2024	2025
Total assets	RMB100 million	5,227.52	5,664.18	6,768.16
Operating revenue	RMB100 million	232.43	211.29	233.22
Basic earnings per share	RMB	0.78	0.79	1.09
Social contribution per share <sup>2</sup>	RMB	2.97	2.50	3.20

Note 1: The statistical scope of the data is the same as that of the consolidated financial statements. Operating revenue is the same as that of the audited A-share consolidated data.

Note 2: Social contribution per share = basic earnings per share + (taxes generated for the country during the year + salaries paid to employees + interests on borrowings paid to banks and other creditors + outbound donations and other value created for other stakeholders - other social costs due to environmental pollution, etc.) / total number of shares of the Company.

## Environmental Performance Table

Metric	Unit	2023	2024	2025
<b>Energy consumption<sup>1</sup></b>				
Total comprehensive energy consumption	tce	---	2,733.26	3,502.78
Clean energy consumption	tce	---	10.36	20.96
Comprehensive Energy Consumption per Unit Area	tce/m <sup>2</sup>	---	0.009	0.013
Proportion of clean energy consumption to total energy consumption	%	---	0.38	0.60
<b>Direct energy consumption</b>				
Direct energy consumption	tce	---	103.47	95.71
Gasoline Consumption	liter	105,413.50	84,959.74	68,629.84
Diesel Consumption <sup>2</sup>	ton	0.00	0.40	0.01
Natural gas consumption <sup>3</sup>	m <sup>3</sup>	36,245.39	7,790.50	15,755.74
<b>Indirect energy consumption</b>				
Indirect energy consumption	tce	---	2,629.79	3,407.07
Purchased heat consumption <sup>4</sup>	GJ	66.00	323.00	14,067.82
Purchased Electricity Consumption	MWh	18,877.88	21,292.78	23,794.81
Electricity consumption per unit area (Headquarters) <sup>5</sup>	MWh/m <sup>2</sup>	0.059	0.072	0.082
Electricity consumption per unit area	MWh/m <sup>2</sup>	0.065	0.073	0.090
<b>Water consumption</b>				
Total water consumption	ton	72,939.81	84,455.80	78,644.91
Water consumption per unit area	ton/m <sup>2</sup>	0.25	0.29	0.30
<b>Packaging consumption</b>				
Volume of packaging materials <sup>6</sup>	ton	1.7	1.2	1.2

Metric	Unit	2023	2024	2025
<b>GHG Emissions<sup>7</sup></b>				
Total GHG emissions (Scope 1 + Scope 2)	tCO <sub>2</sub> e	11,123.60	11,712.89	14,388.19
GHG emissions (Scope 1)	tCO <sub>2</sub> e	312.36	206.37	186.33
GHG emissions (Scope 2)	tCO <sub>2</sub> e	10,811.24	11,506.52	14,201.86
GHG emissions (Scope 3) <sup>8</sup>	tCO <sub>2</sub> e	14,508.75	11,202.85	12,322.84
GHG emissions per unit area (Scope 1 + Scope 2, Headquarters)	tCO <sub>2</sub> e/m <sup>2</sup>	0.042	0.039	0.044
GHG emissions per unit area (Scope 1 + Scope 2)	tCO <sub>2</sub> e/m <sup>2</sup>	0.039	0.040	0.055
GHG emissions per capita (Scope 3)	tCO <sub>2</sub> e/person	1.04	0.86	0.98
<b>Emissions</b>				
Total amount of waste generated <sup>9</sup>	ton	391.06	506.01	581.36
Total amount of non-hazardous waste <sup>9</sup>	ton	374.08	492.46	563.07
Non-hazardous waste per unit area	kg/m <sup>2</sup>	1.30	1.69	2.13
Total amount of hazardous waste <sup>9</sup>	ton	16.98	13.55	18.29
Hazardous waste per unit area	kg/m <sup>2</sup>	0.059	0.047	0.069
Total NO <sub>x</sub> emissions <sup>10</sup>	ton	0.02	0.02	0.02
Total CO emissions <sup>10</sup>	ton	0.37	0.39	0.38
Total HC emissions <sup>10</sup>	ton	0.05	0.05	0.05
Particulate matter <sup>10</sup>	ton	0.005	0.005	0.004

Note 1: The statistical scope of energy consumption, water use and emissions-related indicators covers CSC Financial Co., Ltd., including the headquarters and branch headquarters and their business departments, as well as its subsidiaries, namely China Futures and its branches and business departments, China Capital, China Securities International, China Fund and China Securities Investment. The Company's total comprehensive energy consumption is disclosed in tonnes of standard coal equivalent (tce), with unit conversion factors referenced from the China Energy Statistical Yearbook and GB/T 2589-2020 General Principles for Calculation of Comprehensive Energy Consumption. The Company's water consumption refers to the amount of municipal water supply (tap water) used. The Company's main type of clean energy is natural gas. In 2025, the overall change in the Company's total comprehensive energy consumption was limited, while energy consumption per unit area increased to a certain extent, mainly because China Fund, China Capital and China Securities Investment relocated to the former headquarters office premises in 2025, resulting in a reduction in overall office area and thus an increase in energy consumption per unit area.

Note 2: The small amount of diesel consumption was attributable to the use of diesel generators for power generation by certain branches of the Company during power outages.

Note 3: The increase in natural gas consumption in 2025 compared with 2024 was mainly attributable to the addition of natural gas heating at certain branches of the Company.

Note 4: In 2025, the Company optimised the disclosure scope for purchased heat data by explicitly including winter heating within the statistical scope, resulting in a significant increase compared with 2024.

Note 5: The statistical scope of Electricity consumption per unit area(Headquarters) only covers Headquarters.

Note 6: The statistical scope of packaging-related indicators covers the headquarters of CSC Financial Co., Ltd. Packaging materials include envelopes, paper bags and other items.

Note 7: Greenhouse gas emissions (Scope 1) include direct greenhouse gas emissions from natural gas consumption and gasoline consumption of self-owned vehicles, while greenhouse gas emissions (Scope 2) mainly refer to indirect greenhouse gas emissions from purchased electricity and purchased heat. For 2025, the carbon emission factor for purchased electricity was referenced from the national average electricity carbon dioxide emission factor of 0.5306 tCO<sub>2</sub>/MWh published by the Ministry of Ecology and Environment and the National Bureau of Statistics in the Announcement on the Release of 2023 Electricity Carbon Dioxide Emission Factors, and 0.6 tCO<sub>2</sub>e/MWh as adopted from the 2024 Sustainability Report of Hongkong Electric. Carbon emission factors for other energy consumption were referenced from the Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions for Industrial Enterprises in Other Industries (Trial) (2015) issued by the National Development and Reform Commission and the recommended values set out in How to Prepare an ESG Report, Appendix 2: Reporting Guidance on Environmental KPIs (25 March 2022) issued by The Stock Exchange of Hong Kong Limited. The statistical scope of GHG emissions per unit area (Scope 1 + Scope 2, Headquarters) only covers Headquarters. In 2025, Scope 2 greenhouse gas emissions increased due to the increase in the consumption of purchased electricity and purchased heat.

Note 8: As a financial institution, the Company's Scope 3 greenhouse gas emissions mainly involve Category 1 (Purchased goods and services), Category 6 (Business travel), Category 7 (Employee commuting) and Category 15 (Investments). The Company currently mainly accounts for Category 6 (Business travel) and Category 7 (Employee commuting). Category 1 (Purchased goods and services) and Category 15 (Investments) have not yet been accounted for due to the relatively high difficulty of data collection and calculation. The Company plans to expand the coverage of Scope 3 categories in the future and disclose greenhouse gas emissions under Category 1 (Purchased goods and services) and Category 15 (Investments) in due course. Other Scope 3 greenhouse gas emission categories have not been accounted for as they are either not relevant or immaterial. Employee commuting data is derived from sample survey results of employees and extrapolated on a proportional basis. Scope 3 carbon emission factors are referenced from the Beijing Low-Carbon Travel Emission Reduction Methodology (Trial) (2023), the Beijing Oil-to-Electric Passenger Vehicle Travel Carbon Emission Reduction Methodology (Trial) (2023), and How to Prepare an ESG Report, Appendix 2: Reporting Guidance on Environmental KPIs (31 December 2024) issued by The Stock Exchange of Hong Kong Limited.

Note 9: The Company's non-hazardous waste data include toner cartridges, ink cartridges, paper, plastics, metals and domestic waste disposal, while hazardous waste data include batteries, printers and other items. In 2025, certain lead-acid batteries of the Company reached the end of their service life and needed replacement, resulting in an increase in hazardous waste compared with 2024.

Note 10: The primary source of the Company's air pollutants is exhaust emissions from its self-owned official vehicles. This report mainly discloses emissions of four types of air pollutants, namely nitrogen oxides (NO<sub>x</sub>), carbon monoxide (CO), hydrocarbons (HC) and particulate matter (including PM2.5 and PM10).

### Customer Service Performance Table<sup>1</sup>

Metric	Unit	2023	2024	2025
Number of customer inquiries resolved	10,000 cases	322	474	423
Number of complaints received regarding products and services <sup>2</sup>	case	110	282	168
Complaint resolution rate	%	100.00	100.00	100.00
Customer satisfaction rate	%	99	99.58	99.64

Note 1: The statistical scope of the data is the same as that of the consolidated financial statements.

Note 2: In 2025, the Company, on the one hand, strengthened communication with regulatory complaint channels to clarify the boundaries of responsibilities and exclude claims not attributable to the Company; on the other hand, it enhanced pre-complaint management to improve service quality at the source and reduce the drivers of complaints.

### Supplier Management Performance Table<sup>1</sup>

Metric	Unit	2023	2024	2025
Coverage of supplier audits <sup>2</sup>	%	100.00	100.00	100.00
Number of suppliers	supplier	833	853	953
Number of suppliers from Chinese mainland	supplier	822	841	948
Number of suppliers from Hong Kong, Macau, Taiwan and overseas	supplier	11	12	5
Proportion of newly onboarded suppliers signing the Qualified Supplier Commitment Letter <sup>2</sup>	%	100.00	100.00	100.00

Note 1: The data pertains to CSC Financial Co., Ltd. (the parent company) and has been reviewed by the Procurement Management Department. It excludes branches and subsidiaries.

Note 2: Coverage of supplier audits includes the assessment of suppliers' environmental and social risks.

### Employee Employment Performance Table<sup>1</sup>

Metric	Unit	2023	2024	2025
<b>Total number of employees</b>	person	13,901	13,045	12,618
By gender	Male	8,093	7,527	7,113
	Female	5,808	5,518	5,505
By age group	>50	697	722	658
	Between 30 and 50	8,456	8,611	8,381
	<30	4,748	3,712	3,579

Metric		Unit	2023	2024	2025
By geographical region	Chinese mainland	person	13,653	12,795	12,360
	Hong Kong	person	248	250	258
By employee type	Non-management employees	person	13,774	12,926	12,488
	Middle managers	person	112	106	115
	Senior managers	person	15	13	15
Employee turnover rate <sup>2</sup>		%	11.72	9.04	8.53
By gender	Male	%	10.65	9.86	10.35
	Female	%	13.17	7.95	6.18
By age group	>50	%	12.31	15.14	6.69
	Between 30 and 50	%	6.38	5.70	6.79
	<30	%	19.86	15.63	12.94
By geographical region	Chinese mainland	%	11.63	8.87	8.31
	Hong Kong	%	16.77	18.00	18.99
Number of male employees in management positions		person	108	100	108
Number of female employees in management positions		person	19	19	22
Number of new male employees		person	877	328	328
Number of new female employees		person	531	266	374
Number of new campus hires		person	618	192	146
Number of ethnic minority employees		person	639	623	609

Note 1: The statistical scope of the data is the same as that of the consolidated financial statements.

Note 2: The employee turnover rate is calculated based on employees under labour contracts, excluding employees of statutory retirement age. The formula is: Employee turnover rate = number of employees who left / total number of employees at year-end. In 2024, as the personnel structure was largely optimised, the turnover rate decreased and remained stable overall.

## Employee Rights Performance Table<sup>1</sup>

Metric	Unit	2023	2024	2025
Labor contract signing rate	%	100.00	100.00	100.00
Social insurance coverage rate	%	100.00	100.00	100.00
Total number of labour discrimination incidents	case	0	0	0
Work-related fatalities	person	0	0	0
Working days lost due to work-related injuries	day	57.5	549	70
Investment in employee work-related injury insurance	RMB10,000	—	773.00	773.70
Employee medical examination coverage rate	%	100	100	100
Employee occupational disease incidence rate <sup>2</sup>	%	0	0	0

Note 1: The statistical scope of the data is the same as that of the consolidated financial statements.

Note 2: Occupational diseases here refer to diseases caused by employees' exposure to dust, radioactive substances, and other toxic or hazardous substances during work.

## Employee Training Performance Table<sup>1</sup>

Metric	Unit	2023	2024	2025	
Total expense of employee training <sup>2</sup>	RMB10,000	1,986	771	1,083	
Employee training attendance	person-time	135,541	108,768	117,069	
Coverage of employee training	%	94.05	89.43	96.36	
By gender	Male	%	95.09	91.50	97.81
	Female	%	92.60	86.61	94.50
By employee type	Non-management employees	%	94.00	89.33	96.32
	Middle managers	%	100.00	100.00	100.00
	Senior managers	%	100.00	100.00	100.00
Average training hours per employee	hour	48.69	48.68	52.68	
By gender	Male	hour	50.18	48.70	53.56
	Female	hour	46.62	48.66	51.53
By employee type	Non-management employees	hour	48.50	47.13	51.18
	Middle managers	hour	353.57	272.75	190.11
	Senior managers	hour	170.00	206.51	238.97
Proportion of employees receiving regular performance and career development evaluations	%	100.00	100.00	100.00	

Note 1: The statistical scope of the data is the same as that of the consolidated financial statements.

Note 2: In 2025, the total number of training programmes and offline training sessions organised by the Company increased, leading to a corresponding increase in total training expenditure.

## Rural Revitalisation and Social Contribution Performance Table<sup>1</sup>

Metric	Unit	2023	2024	2025
Total charitable giving	RMB10,000	2,073.61	1,791.05	1,273.89
Of which: rural revitalisation support <sup>2</sup>	RMB10,000	1,772.37	1,473.98	816.90
Charitable donations	RMB10,000	274.96	15.09	369.20
Educational assistance <sup>2</sup>	RMB10,000	26.27	301.98	87.80
Number of beneficiaries from rural revitalisation and community welfare <sup>3</sup>	person	24,915	48,863	22,506
Employee volunteer participation	person-time	5,428	3,878	3,838
Total hours of employee volunteering	hour	4,285	3,787	3,136

Note 1: The statistical scope of the data is the same as that of the consolidated financial statements.

Note 2: All educational assistance expenditures were used to support education initiatives in rural revitalisation areas. In 2025, the total expenditure on assistance and rural revitalisation projects amounted to RMB 9.0469 million. Any discrepancy is due to rounding differences between rural revitalisation support and educational assistance.

Note 3: Each year, the Company carries out a variety of rural revitalisation and community public welfare projects based on the actual needs of different regions. As the types, scale and target beneficiaries of such projects vary from year to year, the number of beneficiaries fluctuates accordingly. According to statistics, the number of beneficiaries from rural revitalisation in 2025 was 11,006.

## Innovation-Driven Performance Table<sup>1</sup>

Metric	Unit	2024	2025
Financial technology investment amount	RMB10,000	151,996.25	169,428.57
Proportion of financial technology investment to operating revenue	%	8.67	8.64
Number of information technology personnel	person	888	878
Proportion of information technology personnel	%	6.81	6.96
Number of patent applications during the reporting period <sup>2</sup>	case	32	108
Number of authorized patents during the reporting period <sup>2</sup>	case	19	29
Number of valid patents during the reporting period <sup>2</sup>	case	49	78

Note 1: Except for the amount and ratio of investment in financial technology, which are calculated on a parent company basis, the statistical scope of all other data covers the consolidated financial statement scope.

Note 2: In 2025, the Company placed strong emphasis on the management and protection of its intellectual property, respected innovation achievements, and encouraged the application for patents and software copyrights. In recent years, the Company has achieved notable innovation outcomes, particularly in the application of large-scale models.

## Corporate Governance Performance Table

Metric	Unit	2023	2024	2025
Number of directors	person	13	13	15
Number of executive directors	person	2	2	2
Number of non-executive directors	person	6	6	8
Number of independent non-executive directors	person	5	5	5
Number of male directors	person	11	11	13
Number of female directors	person	2	2	2
Number of directors aged 30–40	person	0	0	0
Number of directors aged 41–50	person	7	7	7
Number of directors aged over 50	person	6	6	8
Number of General Meetings	case	5	7	5
Number of Board meetings	case	11	14	8
Number of meetings of special committees under the Board	case	22	25	21

## Anti-commercial Bribery and Anti-corruption Performance Table<sup>1</sup>

Metric	Unit	2024	2025
Total number of directors covered by integrity and anti-corruption training	person	13	15
Percentage of directors covered by integrity and anti-corruption training	%	100	100
Number of management employees covered by integrity and anti-corruption training	person	119	130
Proportion of management employees covered by integrity and anti-corruption training	%	100	100
Total number of employees covered by integrity and anti-corruption training	person	13,045	12,618
Percentage of employees covered by integrity and anti-corruption training	%	100	100

Note 1: The statistical scope of the data is the same as that of the consolidated financial statements.

# Reporting Guidelines Index

Index for Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies — Sustainability Report (Trial)

Disclosure Requirement	Sections
Climate change tackling	Climate change tackling ESG Data Tables and Notes
Pollutant discharge	Green operations ESG Data Tables and Notes
Waste disposal	Green operations ESG Data Tables and Notes
Ecosystem and biodiversity protection	Ecosystem and biodiversity protection
Environmental Compliance Management	Green operations ESG Data Tables and Notes
Energy usage	Green operations ESG Data Tables and Notes
Usage of water resources	Green operations ESG Data Tables and Notes
Circular economy	Green operations
Rural revitalisation	Rural revitalisation ESG Data Tables and Notes
Contributions to the society	Contributions to the society ESG Data Tables and Notes
Innovation-driven	Supporting the real economy Innovation-driven ESG Data Tables and Notes
Ethics of science and technology	Ethics of science and technology
Supply chain security	Supply chain security ESG Data Tables and Notes
Equal treatment to small and medium-sized enterprises	Supply chain security ESG Data Tables and Notes
Safety and quality of products and services	Supporting the real economy Safety and quality of products and services Investor education and protection

Disclosure Requirement	Sections
Data security and customer privacy protection	Data security and customer privacy protection ESG Data Tables and Notes
Employees	Employees ESG Data Tables and Notes
Due diligence	Due Diligence and Stakeholder Communication
Communications with stakeholders	Due Diligence and Stakeholder Communication
Anti-commercial bribery and anti-corruption	Anti-commercial bribery and anti-corruption ESG Data Tables and Notes
Anti-unfair competition	Anti-unfair competition
<b>Self-identification issues</b>	
Sustainable Financing	Sustainable Financing
Carbon finance	Carbon finance
Responsible investment	Responsible investment
Investment and financing ESG risk management	Investment and financing ESG risk management
Supporting the real economy	Supporting the real economy
Investor education and protection	Investor education and protection
Corporate governance	Corporate governance ESG Data Tables and Notes
Industry culture development	Industry culture development
Comprehensive risk management	Comprehensive risk management
Operational compliance	Operational compliance

## HKEX Environmental, Social and Governance (ESG) Reporting Code (Effective from 1 January 2025)

Part B: Mandatory Disclosure Requirements	
Mandatory Disclosure Items	Sections
Governance Structure	ESG Management Statement from the Board ESG Strategy and Management
Reporting Principles	About This Report
Reporting Boundary	About This Report

Part C: "Comply or explain" Provisions	
Subject Areas, Aspects, General Disclosures and KPIs	Sections
<b>A. Environment</b>	
<b>A1. Emissions</b>	Green operations
A1.1	ESG Data Tables and Notes
A1.3	ESG Data Tables and Notes
A1.4	ESG Data Tables and Notes
A1.5	Green operations
A1.6	Green operations
<b>A2. Use of Resources</b>	Green operations
A2.1	ESG Data Tables and Notes
A2.2	ESG Data Tables and Notes
A2.3	Green operations
A2.4	Green operations
A2.5	The Company's products are financial products which are not applicable for this indicator
<b>A3. Environment and Natural Resources</b>	Green operations
A3.1	Green operations
<b>B. Social</b>	
<b>Employment and Labour Practices</b>	
<b>B1. Employment</b>	Employees
B1.1	ESG Data Tables and Notes
B1.2	ESG Data Tables and Notes
<b>B2. Health and Safety</b>	Employees
B2.1	ESG Data Tables and Notes
B2.2	ESG Data Tables and Notes
B2.3	ESG Data Tables and Notes
<b>B3. Development and Training</b>	Employees
B3.1	ESG Data Tables and Notes
B3.2	ESG Data Tables and Notes
<b>B4. Labour Standards</b>	Employees
Subject Areas, Aspects, General Disclosures and KPIs	Sections
B4.1	Employees
B4.2	Employees
<b>Operating Practices</b>	
<b>B5. Supply Chain Management</b>	Supply chain security
B5.1	ESG Data Tables and Notes
B5.2	Supply chain security ESG Data Tables and Notes
B5.3	Supply chain security
B5.4	Supply chain security
<b>B6. Product Responsibility</b>	Investor education and protection
B6.1	The Company's products are only financial products and do not involve product recycling
B6.2	Safety and quality of products and services
B6.3	Anti-Unfair Competition
B6.4	The Company's products are only financial products and do not involve product recycling
B6.5	Data security and customer privacy protection
<b>B7. Anti-corruption</b>	Anti-Commercial Bribery and Anti-Corruption
B7.1	ESG Data Tables and Notes
B7.2	ESG Data Tables and Notes
B7.3	ESG Data Tables and Notes
<b>Community</b>	
<b>B8. Community Investment</b>	Rural revitalisation Contributions to the society
B8.1	Rural revitalisation Contributions to the society
B8.2	Rural revitalisation Contributions to the society ESG Data Tables and Notes

Part D: Climate-related Disclosure		
Climate-related disclosures	Corresponding sections of this report	Other notes
<b>(I) Governance</b>		
19. Governance	Climate Change Tackling - Governance	---
<b>(II) Strategy</b>		
20. Climate-related risks and opportunities	Climate Change Tackling - Strategy	Apply "Reasonable Information Relief". Given that the relevant impacts are mainly transmitted indirectly through investees and changes in the market environment, and are difficult to measure reliably at this stage, the Company has not disclosed a separate quantified amount for the time being but has provided an explanation in the main text.
21. Business model and value chain	Materiality Assessment of Issues Climate Change Tackling - Strategy	---
22-23. Strategy and decision-making	Climate Change Tackling - Strategy	---
24-25. Financial position, financial performance and cash flows	Climate Change Tackling - Strategy	Apply "Financial Effects Relief". Given that the relevant impacts are difficult to separately identify or reliably measure in the financial statements at this stage, the Company has not disclosed quantitative information in accordance with the circumstances outlined in paragraph 25 of the Code and has provided the corresponding explanation.
26. Climate resilience	Climate Change Tackling - Strategy	---
<b>(III) Risk Management</b>		
27. Risk management	Climate Change Tackling - Impact, Risk and Opportunity Management	---
<b>(IV) Metrics and Targets</b>		
28-29. Greenhouse gas emissions	ESG Data Tables and Notes	Apply "Reasonable Information Relief". The Company's Scope 3 emissions have not yet been fully quantified and disclosed due to limitations in data availability and a high degree of estimation uncertainty. Relevant restrictions and explanations have been disclosed in the ESG data table and notes.
30. Climate-related transition risks	Climate Change Tackling - Strategy	Apply "Reasonable Information Relief". The Company has identified the key types of transition and physical risks as well as the main areas of exposure. However, given that, at this stage, it is difficult to reliably measure the amounts and proportions relating to specific assets or business activities, the Company has not disclosed quantitative proportions but has provided qualitative disclosures instead.
31. Climate-related physical risks	Climate Change Tackling - Strategy	Apply "Reasonable Information Relief". The Company has identified the key types of transition and physical risks as well as the main areas of exposure. However, given that, at this stage, it is difficult to reliably measure the amounts and proportions relating to specific assets or business activities, the Company has not disclosed quantitative proportions but has provided qualitative disclosures instead.

Part D: Climate-related Disclosure		
32. Climate-related opportunities	Climate Change Tackling - Strategy Sustainable Financing - Metrics and Targets Carbon Finance - Metrics and Targets Responsible Investment - Metrics and Targets	---
33. Capital deployment	Sustainable Financing - Metrics and Targets Carbon Finance - Metrics and Targets Responsible Investment - Metrics and Targets	---
34. Internal carbon prices	---	At present, the Company has not yet implemented or applied internal carbon pricing in its business operations or investment decisions.
35. Remuneration	---	The Company does not separately and directly link climate-related metrics to its remuneration policy. Relevant ESG considerations have been integrated into the overall governance and performance management framework.
36. Industry-based metrics	Climate Change Tackling - Strategy Sustainable Financing	---
37-40. Climate-related targets	Climate Change Tackling - Metrics and Targets	The Company has disclosed climate-related targets, covering energy efficiency and emissions intensity management in its operations, as well as climate change tackling practices on the business side through sustainable financing, carbon finance, and responsible investment. As at the end of the reporting period, the Company did not use carbon credits to offset emissions, and the relevant targets were mainly achieved through its own management and business activities.
41. Applicability of cross-industry metrics and industry-based metrics	Climate Change Tackling	---

## GRI Content Index

Statement of use	CSC has reported the information cited in this GRI content index for the period between 1 January and 31 December 2025 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standards	Disclosure	Sections
<b>GRI 2: General Disclosures 2021</b>	2-1	About CSC
	2-2	About This Report
	2-3	About This Report
	2-6	About CSC
	2-7	ESG Data Tables and Notes
	2-8	ESG Data Tables and Notes
	2-9	Corporate governance
	2-10	Corporate governance
	2-11	Corporate governance
	2-12	Corporate governance
	2-13	ESG Strategy and Management
	2-14	About This Report
	2-16	ESG Strategy and Management Corporate governance
	2-17	ESG Strategy and Management
	2-19	Corporate governance
	2-22	ESG Management Statement from the Board
	2-26	ESG Strategy and Management
	2-27	Operational compliance
	2-29	ESG Strategy and Management
<b>GRI 3: Material Topics 2021</b>	3-1	ESG Strategy and Management
	3-2	ESG Strategy and Management
	3-3	ESG Strategy and Management Chapters by issue
<b>GRI 201: Economic Performance 2016</b>	201-1	2025 Highlights in Sustainable Development ESG Data Tables and Notes

GRI Standards	Disclosure	Sections
GRI 205: Anti-corruption 2016	205-1	Anti-Commercial Bribery and Anti-Corruption
	205-2	Anti-Commercial Bribery and Anti-Corruption
	205-3	Anti-Commercial Bribery and Anti-Corruption
GRI 302: Energy 2016	302-1	ESG Data Tables and Notes
	302-2	ESG Data Tables and Notes
	302-3	ESG Data Tables and Notes
	302-4	Green operations ESG Data Tables and Notes
GRI 303: Water and Effluents 2018	303-3	Green operations
	303-5	ESG Data Tables and Notes
GRI 305: Emissions 2016	305-1	ESG Data Tables and Notes
	305-2	ESG Data Tables and Notes
	305-3	ESG Data Tables and Notes
	305-4	ESG Data Tables and Notes
GRI 306: Waste 2020	306-1	ESG Data Tables and Notes
	306-2	ESG Data Tables and Notes
	306-3	ESG Data Tables and Notes
GRI 308: Supplier Environmental Assessment 2016	308-1	Supply chain security
	308-2	Supply chain security
GRI 401: Employment 2016	401-1	ESG Data Tables and Notes
	401-2	Employees
GRI 403: Occupational Health and Safety 2018	403-1	Employees
	403-3	Employees
	403-4	Employees
	403-5	Employees
	403-6	Employees
	403-7	Employees
	403-8	Employees
	403-9	ESG Data Tables and Notes

GRI Standards	Disclosure	Sections
GRI 404: Training and Education 2016	404-1	ESG Data Tables and Notes
	404-2	Employees ESG Data Tables and Notes
	404-3	ESG Data Tables and Notes
GRI 405: Diversity and Equal Opportunity 2016	405-1	Corporate governance Employees ESG Data Tables and Notes
GRI 406: Non-discrimination 2016	406-1	Employees
GRI 408: Child Labour 2016	408-1	Employees
GRI 409: Forced or Compulsory Labour 2016	409-1	Employees
GRI 413: Local Communities 2016	413-1	Rural revitalisation Contributions to the society
	413-2	Rural revitalisation Contributions to the society
GRI 414: Supplier Social Assessment 2016	414-1	Supply chain security
	414-2	Supply chain security
GRI 417: Marketing and Labelling 2016	417-1	Investor education and protection Anti-Unfair Competition
	417-2	Investor education and protection Anti-Unfair Competition
	417-3	Investor education and protection Anti-Unfair Competition
GRI 418: Customer Privacy 2016	418-1	Data security and customer privacy protection

# Definition

Unless otherwise specified by the context, the following terms in this report have the meanings set forth below:

Definition of frequently used terms		
CSC, the Company, We	Refer to	CSC Financial Co., Ltd.
China Futures	Refer to	China Futures Co., Ltd., a wholly-owned subsidiary of the Company
China Capital	Refer to	China Capital Management Co., Ltd, a wholly-owned subsidiary of the Company
China Securities International	Refer to	China Securities (International) Finance Holding Company Limited, a wholly-owned subsidiary of the Company
China Fund	Refer to	China Fund Management Co., Ltd., a wholly-owned subsidiary of the Company
China Securities Investment	Refer to	China Securities Investment Co., Ltd, a wholly-owned subsidiary of the Company
Central bank	Refer to	People's Bank of China
China Securities Regulatory Commission	Refer to	China Securities Regulatory Commission
General Meetings	Refer to	General Meetings of the Company
Board	Refer to	Board of the Company
SZSE	Refer to	Shenzhen Stock Exchange
SSE	Refer to	Shanghai Stock Exchange
BSE	Refer to	Beijing Stock Exchange
HKEX	Refer to	Stock Exchange of Hong Kong
CAPCO	Refer to	China Association for Public Companies
SAC	Refer to	Securities Association of China
SSE Guidelines	Refer to	<i>Index of Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)</i>
CAPCO Guidelines	Refer to	CAPCO Guidelines for Sustainability Work of Chinese Listed Companies
Hong Kong Listing Rules	Refer to	<i>Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited</i>
GSSB	Refer to	Global Sustainability Standards Board
GRI Standards	Refer to	The revised GRI Universal Standards released by the GSSB in October 2021
IPO	Refer to	Initial Public Offering
A Share(s)	Refer to	Listed domestic shares in the share capital of the Company with a nominal value of RMB1.00 each, listed and traded on the SSE
H Share(s)	Refer to	Listed ordinary shares in the share capital of the Company with a nominal value of RMB1.00 each, listed on the HKEX and traded in HK dollars
NEEQ	Refer to	National Equities Exchange and Quotations
SSE STAR	Refer to	Shanghai Stock Exchange Science and Technology Innovation Board
ChiNext	Refer to	ChiNext Board of the Shenzhen Stock Exchange
ESG	Refer to	Environmental, Social and Governance
New National Nine Positive Stimuli	Refer to	Several Opinions on Strengthening Regulation, Preventing Risks, and Promoting High-Quality Development of the Capital Market
RMB	Refer to	The official currency of the People's Republic of China, Unless otherwise specified, all monetary amounts in this report are denominated in RMB
HKD	Refer to	The official currency of the Hong Kong Special Administrative Region
USD	Refer to	<i>The official currency of the United States</i>



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