



Upholding Integrity and Harmony
In Pursuit of Dreams

2022

Caitong Securities Co., Ltd.
Environmental, Social
and Governance Report



Subscription Account
of Caitong Securities



Caitong Securities APP

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Printed with environment-
friendly paper



Report Profile

Notes to the Report

This Report, being the 6th ESG/social responsibility report released by Caitong Securities Co., Ltd. ("Caitong", "Company", "we", or "us") since its listing, is intended to disclose the actions taken and performance achieved by the Company in environment, society, and corporate governance to respond to the expectations and requirements of stakeholders in a systematic manner. We hope to make this Report a bridge for communication and exchanges with people from all walks of life to deepen their understanding of the Company and to subject the Company to their supervision, hence promoting better development of the Company while actively fulfilling our social responsibilities.

Reporting Scope

Organizational scope: Unless otherwise stated, the scope of this Report is same as the scope of the Company's annual consolidated financial statements.

Period of time: The period is from January 1, 2022 to December 31, 2022, and extends appropriately to previous and subsequent years for some information to enhance the comparability and perspicacity of this Report.

Reporting cycle: This Report is an annual report. The previous report is for 2021.

Data Description

The data and cases in the Report are from the original records or financial reports concerning the actual operation of Caitong Securities and its subsidiaries. This Report presents financial data in RMB. In the event of any inconsistency with financial reports, the financial reports prevail.

Reference and Principles

Guideline No.1 on the Application of Self-Regulatory Rules for Listed Companies on Shanghai Stock Exchange – Regulated Operation issued by Shanghai Stock Exchange

Standards for the Contents and Formats of Information Disclosure by Companies Offering Securities to the Public No. 2—Contents and Formats of Annual Reports (2021 Revision) issued by the CSRC

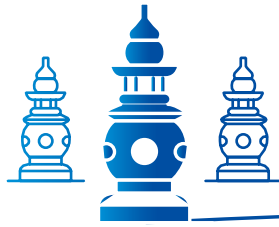
The Sustainability Reporting Standards issued by the Global Reporting Initiative

Reliability Assurance

The Board of Directors and all directors of the Company warrant that the content in this Report is true, accurate, complete, and free of any misrepresentations, misleading statements, or material omissions, and shall be jointly and severally responsible for the foregoing.

Access to the Report

This Report is released in both printed and electronic forms. The electronic version is available on the website of Shanghai Stock Exchange (www.sse.com.cn).



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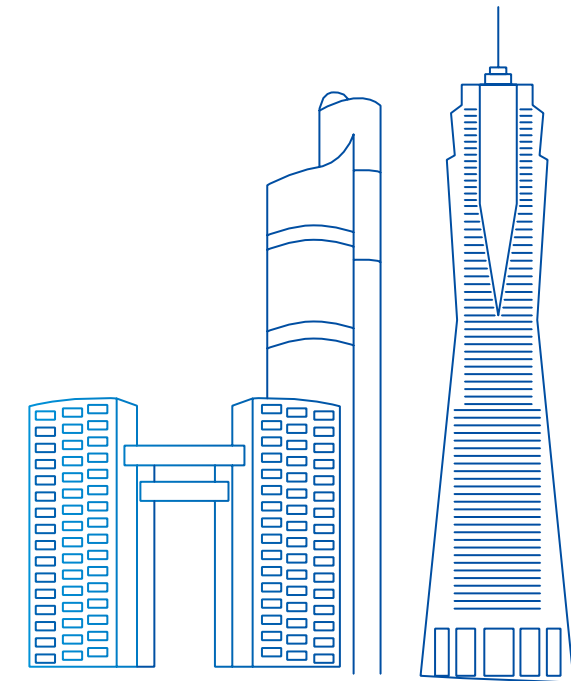


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Board Statement

The year 2022 is a milestone year in the history of both the Party and the country. The 20th National Congress of the Communist Party of China was held successfully, starting a new journey to fully promote national rejuvenation through a Chinese path to modernization. Given the stable reform of the capital market in pursuit of "full implementation of the registration-based IPO regime", the A-share market was leading on the world in terms of IPO financing amounts...

Facing the many difficulties and challenges in the past year, Caitong people fulfilled their mission and responsibilities as a provincial state-owned securities company of Zhejiang by opening up new dimension among changes and cultivating opportunities among challenges, which demonstrated our new commitments, presented our new actions, and started a new journey. We made use of our professional capabilities and advantages as a financial enterprise to continuously fulfill social responsibilities, improve the ESG management system, and implement the principle of responsible investment. Under the idea of "serving the real economy with financial resources" and the guidance of the "137N" new strategic system, we served the overall interests by taking in-depth efforts in Zhejiang to empower the real economy, and incorporated ESG management into the group strategy, business development, corporate culture, compliance risk control, etc. to constantly promote sustainable development in responsible investment, green finance, social welfare, etc., striving to create inclusive and shared value for all stakeholders.

G Sound Operation to Improve Corporate Governance

Under the culture concept of "compliance, integrity, professionalism, and prudence" of the industry, Caitong Securities strictly adhered to the bottom line of compliance risks, continuously improved its governance system, strengthened the strategy and the functions of the ESG Committee, and continuously improved the ESG management mechanism to constantly improve systematic and efficient ESG management. As an

important means to drive the high-quality and sustainable development of the Company, ESG management is deeply embedded in the Company's corporate culture and business development strategy.

We have built a robust barrier for control of compliance risks to fully insist on stable and compliant operation. Centering on our goals of business development, we made use of digital measures to continuously build and improve a compliance and risk management system in line with the Company's business operation, so as to incorporate the culture of sound risk control and compliance into our daily work, integrate ESG risk management and control with business development, and support the sustainable development of the Company.

E Being Focused and Dedicated in Promoting Green Development

Under the goals of "carbon peaking and carbon neutrality" and the "two mountains" theory, we actively responded to the call of the Provincial Party Committee and the Provincial Government of Zhejiang to explore Zhejiang's path to support "carbon peaking and carbon neutrality" and "lucid waters and lush mountains are invaluable assets" with financial resources. We effectively promoted responsible investment and accelerated the pace to integrate ESG factors into the investment decision-making mechanism, so as to help investors understand the impact of ESG issues on investment, and continuously explore and improve the efforts for applying ESG standards in management and investment. We promoted low-carbon and green development, actively fulfilled our social responsibilities by taking them into consideration in investment and paying attention to the ESG performance of investment targets, so as to comprehensively improve the ecological value, social value, and humanistic value of investment management on the basis of value maintenance and appreciation of assets to achieve all-round integration of ecology, society, and human beings.

S Staying True to the Original Aspiration in Fulfilling Social Responsibilities

We served the overall interests by actively participating in high-quality economic and social development. With the courage of a financial pacesetter for the "two firsts" in Zhejiang, we took active measures to deepen innovation, address difficulties encountered in reform, and enhance opening-up to support the three "No. 1 projects". As the only provincial securities enterprise in Zhejiang, Caitong Securities firmly held to the goal of "striving to build a first-class modern investment bank". We adhered to customer orientation, and made use of the three major financial tools as a group, namely, "investment bank + investment + wealth management" to build a golden business reputation featuring investment bank with science and technologies, investment bank for common prosperity, and investment bank of state-owned assets, focusing on the financial demands of the "415X" advanced manufacturing clusters and specialized, excellent, featured, and innovative enterprises, enterprises for agricultural and rural development, state-owned enterprises, and local governments. We hope to support direct financing of the real economy through investment banking services, so as to release industrial vitality through investment and enhance the wealth effect for residents through wealth management. We will give full play to the professional advantages of comprehensive financial tools to accompany more enterprises in their growth and expansion with our whole life cycle services, hence empowering and supporting the demonstration zone for common prosperity.

We took multiple measures to deliver positive energy for charitable purposes. We supported rural revitalization in five aspects, including financial support, industrial support, intellectual support, consumption support, and condolence support, so as to consolidate the achievements of poverty alleviation. Through the systematic and standardized operation under the public welfare brand of "Keeping Goodness in Heart" (一善染心), we gathered the efforts for the public welfare from all walks of

life to collect little love into great love for society. In 2022, the Company continued to fulfill its social responsibilities by contributing to social welfare in the fields of public education, medical care, and cultural inheritance, demonstrating the commitment of a state-owned financial enterprise.

Deepening Digital Reform

We continued our efforts for technological empowerment and digital reform. We actively connected to Zhejiang's public big data platform, built the "1231" digital intelligence financial communication system through iteration and upgrades, and implemented the digital reform for "one account book" centering on the "1314N" digital toolbox, so as to consolidate the foundation of digital reform, and consolidate, improve, and optimize the digital platform project. We gave full play to advanced financial technologies to catalyze business innovation, optimize customer experience, facilitate operation on the background, and help improve the quality of ESG management.

Caitong actions in pursuit of dreams. The year 2023, being the first year to fully implement the spirit of the 20th CPC National Congress, and the 20th anniversary of the implementation of the "Eight-Eight Strategy" in Zhejiang, will welcome the thirtieth birthday of Caitong Securities. As an enterprise with a history of 30 years, Caitong Securities will continue its efforts to pay attention to key priorities and serve the overall interests by focusing on the "six first-class aspects", including first-class investment bank influence, investment competitiveness, wealth support, risk prevention and control, digital leadership, and leadership of Party building. We will concentrate on building Caitong featuring scientific innovation, services, platform, and reform to achieve the strategic goal of "first-class modern investment bank", hence making greater contributions to writing a new chapter for the Chinese path to modernization in Zhejiang.


April 2023


Performance Highlights

Economic Performance

 Total assets
 RMB **125.69** billion

 Operating revenue
 RMB **4.83** billion


 Basic earnings per share
 RMB **0.34** / share

 Owners' equity attributable to shareholders of the listed company
 RMB **32.951** billion

Environmental Performance

 Environmental revenue
 RMB **23.0367** million

 Investment in ecological conservation
 RMB **560,000**


 Renewable energy usage
53,642 kWh

 Rainwater recycling and reuse
2,992 cubic meters

Note: The statistical caliber of the economic performance is consistent with the annual report (excluding invested companies); the statistics of the environmental performance are based on the headquarters of Caitong Securities.

Social Performance


 Total employees
3,801 persons

 Complaint handling rate
100%

 Amount invested in public welfare
 RMB **35.8859** million

 Average training hours per employee
74.52 hours

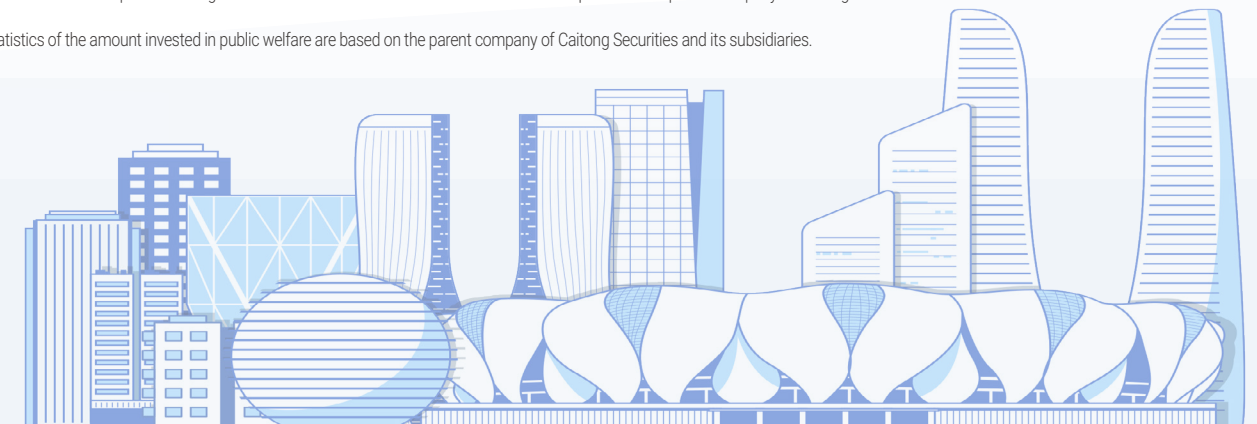
 Customer satisfaction
92.21%

 Average hours of voluntary services per employee
3.63 hours

Note 1: The statistics of the total employees, average training hours per employee, and average hours of voluntary services per employee are based on the parent company of Caitong Securities.

Note 2: The statistics of the complaint handling rate and customer satisfaction are based on the headquarters of the parent company of Caitong Securities.

Note 3: The statistics of the amount invested in public welfare are based on the parent company of Caitong Securities and its subsidiaries.



About Caitong

Company Profile

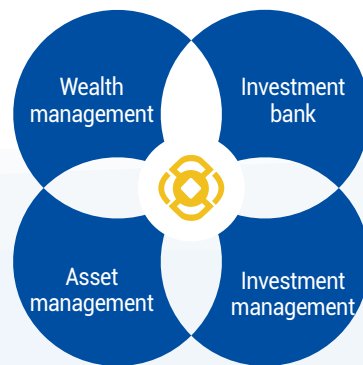
Caitong Securities Co., Ltd. (hereinafter referred to as "Caitong" or the "Company") is a comprehensive securities group with its characteristics headquartered in Hangzhou. It was founded as Zhejiang Finance Securities Company in 1993, transformed into Caitong Securities Brokerage Co., Ltd. in June 2003, upgraded to a state-owned enterprise directly under the provincial government in June 2007, and got listed on the Shanghai Stock Exchange in October 2017 under stock code 601108.

At present, the Company has approximately 5,000 employees and more than 160 branches, mainly distributed in various cities and counties in Zhejiang Province and central cities such as Beijing, Shanghai, Shenzhen, Xiamen, Nanjing, Chongqing, and Chengdu. The companies affiliated to Caitong Securities have built their corresponding characteristics and advantages in their respective segments.

Business Segments

Securities brokerage/futures brokerage
Overseas brokerage (securities and futures)
Margin trading and short selling/stock pledge financing
Margin trading (Hong Kong)
Securities research/investment consulting

Equity financing / debt financing
Financial consulting / mergers and acquisitions
NEEQ / Overseas business



Securities asset management
Futures asset management
Securities investment funds
Cross-border asset management
Private equity funds

Equity investment
Fixed income investment
Direct equity investment
Market making business
Alternative investment



Group Structure of Caitong Securities



Corporate Culture and Philosophy System of Caitong Securities

Caitong Consensus

To create value for customers, seek happiness for employees, and fulfill responsibilities for society.

Deepen the business, keep one step ahead in actions, and improve services to an upper level.

Keep compliance risk control as the first priority, and rely on proper conduct and innovation.

Don't say "no" easily, instead, find a way to say "yes".

Let go of no problems, and waste no experience.

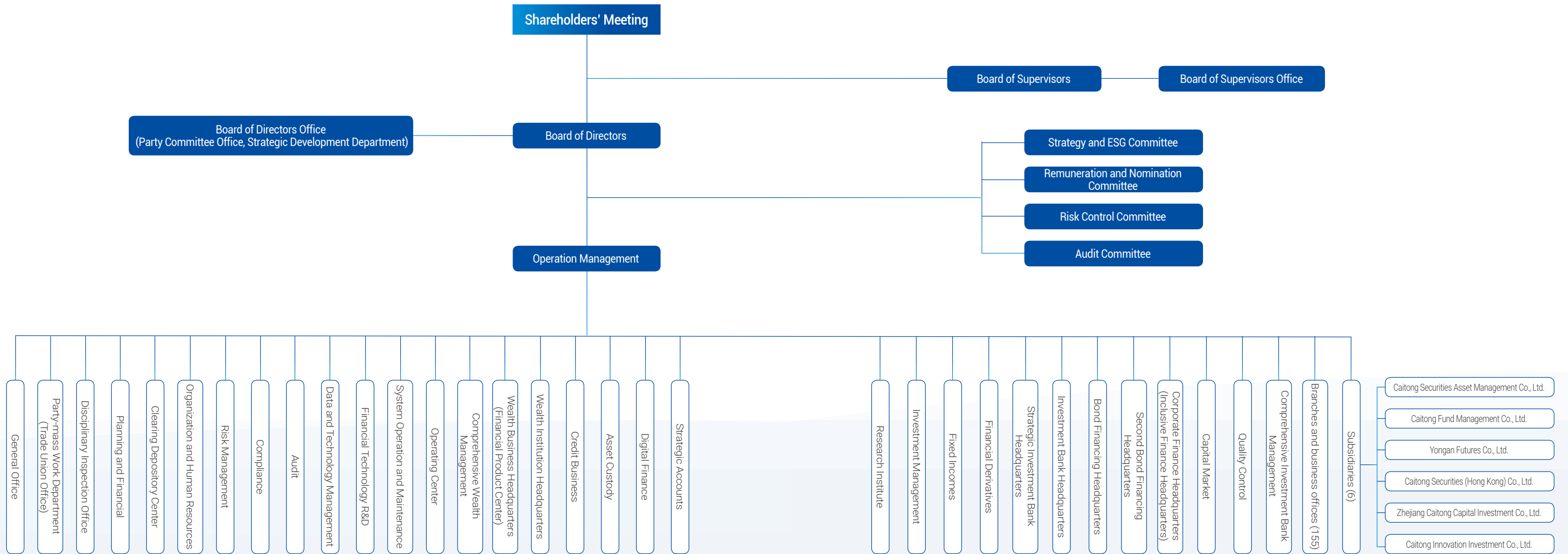
Give opportunities to those intending to display their talents, and build a platform for those who can make achievements.

Make it simple through in-depth understanding.

Take Caitong as a home for everyone.




Organizational Structure




Annual Honors

 **First Prize of Financial Institutions Supporting the Economic and Social Development of Zhejiang**
People's Government of Zhejiang Province

 **Outstanding Contribution Award for Zhejiang Unimpeded Financing Project**
People's Government of Zhejiang Province

 **Flying Phoenix • Annual Award for Financial Services**
Zhejiang TV Economic Life Channel

 **Outstanding ESG Practice Cases of Listed Companies**
China Association for Public Companies

 **Xinhua Credit Golden Orchid Cup for Outstanding Case of Responsible Investment**
Xinhua News Agency

 **2022 Junding Award for Investor Education Team in the Securities Industry of China**
Securities Times


 **2022 Junding Award for All-round Asset Management Institution in the Securities Industry of China**
Securities Times (Caitong Securities Asset Management)

 **2022 Junding Award for Asset Management Fixed-income Team in the Securities Industry of China**
Securities Times (Caitong Securities Asset Management)

 **2022 Junding Award for Rising Investment Bank in the Securities Industry of China**
Securities Times

 **2022 Junding Award for Debt Financing Projects in the Securities Industry of China**
Securities Times

 **2022 Junding Award for Asset Management Equity Team in the Securities Industry of China**
Securities Times (Caitong Securities Asset Management)

 **Golden Bull Award for Assets Management**
China Securities Journal (Caitong Securities Asset Management)

 **Award of Best Futures IB Securities Institution**
Futures Daily, Securities Times

 **2022 Securities Company Golden Bull Award • Golden Bull for Growth Investment Banking Team**
China Securities Journal

 **Best Futures Company of China**
Futures Daily, Securities Times (Yongan Futures)

 **Award of Best Services for Rural Revitalization and Social Responsibility Public Welfare**
Futures Daily, Securities Times (Yongan Futures)

 **2022 Golden Bull Award for Analysts in the Securities Industry of China**
China Securities Journal

 **2022 Top 30 on the Brand Value List of Chinese Listed Companies in the Securities Industry**
National Business Daily


 **Award of Best Commodity Futures Industry Services**
Futures Daily, Securities Times (Yongan Futures)

 **Active Equity Star Fund Company for Five-year Sustainable Returns**
The 17th Star Fund Award of China Fund (Caitong Fund)

 **2022 Award for Digital Transformation Achievement**
National Business Daily

 **2022 Award of Best Financial Technology Innovation**
Caillian Press

 **Gold Fund • Award of Growth Fund Management Company**
Shanghai Securities Journal (Caitong Fund)

 **"Golden Sail" Case for the Capital Market • 2022 Outstanding Securities Company**
21st Century Business Herald

 **2022 The 15th New Fortune Best Investment Bank • Fast Improved Investment Bank**
New Fortune

Note: Unless otherwise stated in brackets, the awards are granted to Caitong Securities.



ESG Management

- ◎ High-quality Development under the Guidance of Party Building
- ◎ ESG Management System
- ◎ Stakeholder Engagement and Materiality Assessment

ESG Management

High-quality Development under the Guidance of Party Building

The Company insisted on high-quality development under the guidance of Party building by giving full play to the political leading role of the Party in all aspects, and has stated to build a "1+8+5" overall intelligent governance system by 2035 under the guidance of Party building centering on "one overall goal, eight special actions, and guarantee with five mechanisms". In 2022, the Company fully started the implementation of the "Red Engine for Dual-integration and Foundation-strengthening Project" to promote the "eight actions" of Party building, continuously improved the system and mechanism for integrity at Caitong, built the "5+N+1" evaluation indicator system for integrity at Caitong, and conducted Party building activities with its own characteristics to empower the high-quality development of the Company.



ESG Management System

The Company's board of directors comprehensively supervises matters related to ESG. Under the Board of Directors, there are the ESG Committee and ESG Management Team; moreover, ESG specialists are designated at the relevant departments of the headquarters and at subsidiaries to continuously improve professional capabilities and management levels of ESG.

The Company has incorporated ESG into its strategy, business development, corporate culture, compliance risk control, etc., and pays continuous attention to the impact of its own development on the environment and society. In 2022, it released the *Statement of Caitong Securities Co., Ltd. on Environmental and Social Management*, *Responsible Investment Statement of Caitong Securities Co., Ltd.*, and *Statement of Caitong Securities Co., Ltd. on External Exercise of Voting Rights*, which further demonstrated the Company's commitment and determination for ESG management and further enhanced its capabilities for sustainable development.

ESG Management Structure

Supervision level

- Comprehensive oversight of ESG matters

Management level

- Formulate the ESG strategy of the Company
- Supervise the implementation of the ESG strategy
- Identify ESG opportunities and risks, etc.

Execution level

- Specifically implement relevant tasks



Stakeholder Engagement and Materiality Assessment

Stakeholder Engagement

The Company attaches great importance to effective communication with various stakeholders. It has established a normalized mechanism for communication with stakeholders, including shareholders, investors, customers, employees, government and regulatory authorities, suppliers, partners, communities, etc., so as to get an in-depth understanding of and actively respond to the expectations and appeals of various stakeholders, and incorporate key concerns of such parties into daily operation and decision-making to create shared value.



Stakeholders	Issue of Concern	Communication Channel and Method
 Shareholders and investors	<ul style="list-style-type: none"> • Corporate governance • Compliant operation • Risk management 	<ul style="list-style-type: none"> • Shareholders' Meeting • Regular information disclosure • Investor survey and interaction • Performance presentation meeting
 Customers	<ul style="list-style-type: none"> • Optimize customer services • Data security and privacy protection • Financial technology • Serving the real economy • Investor education 	<ul style="list-style-type: none"> • 95336 customer service hotline • Caitong Securities App • Customer satisfaction survey • Construction of the investor education base
 Employees	<ul style="list-style-type: none"> • Safeguard employee interests • Employee development and training • Employee benefits • Corporate culture building 	<ul style="list-style-type: none"> • Employee representative meeting • "Talent Gathering" (聚才) series training • Employee activities • Greeting by the Trade Union • "Caitong Day" activities
 Government and regulatory authorities	<ul style="list-style-type: none"> • Corporate governance • Compliant operation • Risk management • Serving the real economy • Promote inclusive finance • Investor education • Corporate culture building 	<ul style="list-style-type: none"> • Participate in government survey activities • Strengthen compliance risk control • Implement the financial advisory system • Construction of the investor education base • Promote efforts for industry culture building
 Suppliers and partners	<ul style="list-style-type: none"> • Supplier management 	<ul style="list-style-type: none"> • Cooperation and exchange • Contract performance
 Community	<ul style="list-style-type: none"> • Rural revitalization • Social welfare • Green operation • Investor education 	<ul style="list-style-type: none"> • Voluntary services • Public welfare activities • Green office • Green finance • Construction of the investor education base

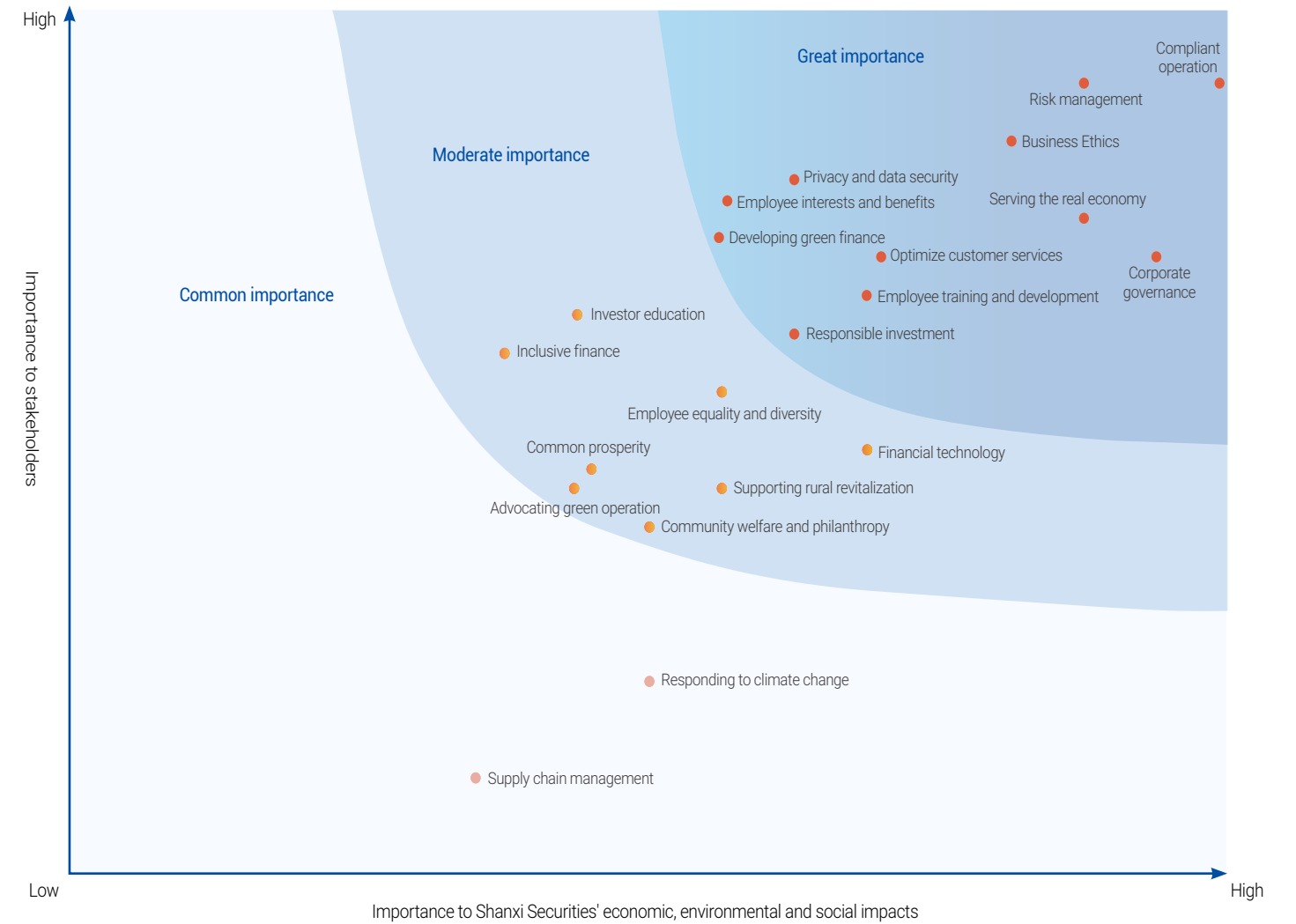
Identification and Analysis of Material Issues

The Company strictly followed domestic and overseas policies and trends and key priorities in the securities industry, actively responded to national and industry policies, and specified key material issues with high significance to both the Company and stakeholders through a procedure of identification, analysis, and screening in line with the strategy and development vision of the Company and the expectations and appeals of stakeholders with reference to the performance of social responsibilities by companies in the industry and partners in consideration of professional consulting comments, which substantive issues are disclosed as key content in this Report.

Materiality Assessment Flow



Materiality Matrix





Serving the Overall Situation, Safeguarding High-quality Economic Development

- ◎ **Column** Channeling Financial Resources into the Real Economy
- ◎ **Column** Promoting Common Prosperity Through Innovative Services
- ◎ **Column** Enhancing Digital Intelligence Through Financial Technologies

Contribution
to SDGs



Channeling Financial Resources into the Real Economy

Column

Practical Measures to Take the Lead in the Industry

As a provincial state-owned securities company, Caitong Securities has thoroughly implemented the "Phoenix Action 2.0" of the Provincial Party Committee and Provincial Government of Zhejiang, the unimpeded financing project, and the three "No. 1 projects" to give full play to its professional advantages, hence supporting enterprises to improve their core competitiveness through financial resources and a stable industry chain. Moreover, we provided precise services for Zhejiang enterprises through measures for investment and talent attraction, reform of state-owned enterprises, listing of enterprises, and other key measures, hence solving the difficulties in financing and better serving the Chinese path to modernization and the "two firsts" in Zhejiang.

Performance Highlights

IPO of 10 companies have been approved	Undertook company bonds and corporate bonds of Zhejiang enterprises of RMB 50.802 billion
Ranked No. 1 in the industry in terms of the number of enterprises sponsored in Zhejiang	Ranked No. 3 in Zhejiang, holding the market share of 13.11%
Undertook the bonds of RMB 67.567 billion throughout the year	Undertook AAA bonds of RMB 12.1 billion, accounting for nearly 18%
Increased by 5.82% year on year	The Company was leading and ranking the first in Zhejiang in terms of multiple business data
Undertook company bonds and corporate bonds of RMB 60.983 billion	Ranked the first in Zhejiang in terms of the number of enterprises passing the review for IPO on the GEM board
Ranked No. 17 in the industry	Ranked the first in Zhejiang in terms of enterprises listed on the Beijing Stock Exchange

Tackling Five Hard Problems to Achieve Stable Progress and Quality Improvement

Facing the hard problems for achieving stable progress and quality improvement in Zhejiang's economy, Caitong Securities planned five actions to tackle such hard problems by focusing on the financial needs of enterprises.

Action to Tackle Hard Problems: Thousand People Visits Thousand Enterprise for Financing Hundred Billion

In 2022, Caitong Securities organized **2,247** business backbones to visit **1,517** companies on the list of "specialized, excellent, featured, and innovative" enterprises and local state-owned enterprises, including **603** national specialized, excellent, featured, and innovative "little giants" and individual champions, and **852** provincial specialized, excellent, featured, and innovative enterprises and "hidden champion" enterprises. The Company signed **198** agreements on comprehensive financial services (including the agreements for Jinfubao • Listed Stocks), supporting enterprises to acquire the financing of RMB **126.831** billion.

Action to Tackle Hard Problems : Expand Investment to Increase Financial Resources

The Company established a special team for "expanding investment to increase financial resources" and made financing model innovation to support the stable progress and quality improvement of the real economy, which greatly improved its capabilities of serving the overall interests through equity investment. The annual amounts of various investments (including leveraged investments) exceeded RMB **180** billion, which manifested our commitment of "serving the real economy with financial resources" and capabilities of serving the overall interests in intense market competition.

We optimized the "fundraising + direct investment" mechanism, established an "investment linkage" cooperation team with a dedicated post for collaboration and communication, and established industry-specific teams to visit and communicate with others. In 2022, we visited **20** projects with others, created the innovative 20%+30% capital contribution mode, and established **2** projects, namely the Xiaotong Digital Intelligence Low-carbon Fund and the Caitong Xinruitai Fund. We accelerated the pace of building the new model of fundraising and investment consisting of "**Fund of Funds + Sub-funds (Direct Investment)**" with our own characteristics to give full play to the leading role of the state-owned capital.

Performance Highlights

Investment with own capital: Invested RMB 20.85 billion Including RMB 4.13 billion in Zhejiang, accounting for 19.8%	Leveraging the investment of RMB 162.61 billion Including RMB 26.6 billion in Zhejiang, accounting for 16.4%
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Promoting Common Prosperity Through Innovative Services

Column

In May 2021, the Central Committee of the Communist Party of China and the State Council issued *the Opinions on Supporting the High-quality Development and Building a Demonstration Zone for Common Prosperity in Zhejiang*, in which Zhejiang was given the important mission of exploring high-quality development and building a demonstration zone for common prosperity. As a provincial state-owned securities company in Zhejiang, Caitong Securities actively made use of its advantages in main businesses and continuously explored the path and mechanism of financial support in pursuit of common prosperity, channeling financial resources to the real economy.

Developing Individualized Solutions for Enterprises to Create a Caitong Benchmark of Common Prosperity

In 2022, the Company released the *Action Plan of "Individualized Solutions for Enterprises" to Promote High-quality Development and Build a Demonstration Zone for Common Prosperity (2022-2025)*, which systematically sorted out internal and external service menus and tools to create a model of "individualized solutions for enterprises" with the Caitong characteristics "3510", hence contributing to the efforts for common prosperity and modernization in Zhejiang Province.

- 3** Combining the "3" major tools for financial services
Investment banking, investment, wealth management
- 5** Creating benchmark achievements in "5" categories
Releasing series products for "common prosperity"
Developing digital and intelligent tools for "common prosperity"
Exploring industry models for "common prosperity"
Creating a model of "common prosperity" in mountainous areas
Strengthening the function of investor education for "common prosperity"
- 10** Focusing on "10" major special actions



Caitong Securities won the title of 2022 Case of Best Practices for State-owned Capital and State-owned Enterprises to Support Common Prosperity for its solution of *Building New Models Featuring "3510" and "Individualized Solutions for Enterprises" to Support Common Prosperity*

Performance Highlights

Launched a series of products for "common prosperity"

Expanded the sources of property incomes for residents

Fixed-income products
Low-fluctuation "fixed-income" products
Collection program under the theme of ESG
Certificate for floating incomes with the principal protected
"Financial Manager" (财管家) fund investment consulting

In 2022, the sales of products for common prosperity, accounting for over **20%** of the Company's total sales of financial products, exceeded RMB **10** billion

Promoting digital and intelligent tools for "common prosperity"

Building a public welfare digital and intelligent system to serve the fundraising and development of enterprises

Jinfubao • Listed Stocks

Contracted with **452** companies; opened accounts for **8,765** companies maintained the daily average assets of over RMB **14.0** billion and maintained the assets of over RMB **5.0** billion for options of equity incentives

Jinfubao • Small and Micro Enterprises

Covering about **2,000** enterprises

"Easy Investment in Zhejiang" direct investment and financing system

Covering over **23,000** enterprises

Exploring industry models for "common prosperity"

Supporting the whole-life cycle industry development with the industry common prosperity funds and comprehensive financial services

Wuyi Jinwuminfu Fund Changshan County Youfu Equity Fund
Suichang Revolutionary Old Area Common Prosperity Fund of Funds

Agriculture, Culture, and Tourism Common Prosperity Fund
Xiaotong Digital Intelligence Low-carbon Equity Fund

Creating a model of "common prosperity" in mountainous areas

Conducting pilot projects with priority attached to counties in mountainous areas

In 2022, Caitong Securities supported 26 counties in mountainous areas to acquire debt financing of RMB **3.72** billion
Caitong Securities Asset Management made debt investments in Zhejiang for RMB **12.87** billion in the form of fixed-income investment and held the debts of 26 counties in the mountainous areas in the amount of RMB **0.905** billion
Caitong Securities signed strategic cooperation agreements with 26 counties in **11** in mountainous areas
Realized **100%** full coverage of 26 counties in the mountainous areas county-level financial consulting

Strengthening the function of investor education for "common prosperity"

Carrying out the public welfare activity under the theme of "Caitong Path to Financial Management"

Conducted **1,203** activities with the participation of over **100,000** person-times
Including **118** investment education activities for 26 counties in the mountainous areas, covering over **4,000** rural investors

"Insurance + Futures" of Live Pigs to Support Farmers with Financial Services

The high fluctuation of the spot prices of live pigs posed great challenges to the confidence of pig breeding. To support stable breeding and supply of live pigs, Caitong Securities, together with Yongan Futures and other institutions, launched the "insurance + futures" of live pigs to achieve risk hedging through futures and options tradable at the exchange, hence protecting farmers against risks of price fluctuation.

Focusing on the Development of 26 Counties in Mountainous Areas with Whole-life Cycle Services

In 2022, the Company focused on exploring and creating bases for inclusive services throughout the entire life cycle of enterprises mainly in Pingyang and Jinyun, Zhejiang Province, provided bond financing of RMB 3.72 billion for 26 counties in the mountainous areas, and made in-depth efforts to sort out the structure of state-owned assets and improve ratings, which successfully supported Qingtian County to build two 2A-level platforms. During the reporting period, Caitong Securities completed the IPO submission for Quzhou NGF Chemical Co., Ltd., an enterprise in the "26 counties in the mountainous areas", and promoted the IPO review process of Zhejiang Ocean Family Co., Ltd., a pelagic fishery enterprise.

Rural Revitalization

In 2022, focusing on the *Opinions of the Central Committee of the Communist Party of China and the State Council on Promoting the Key Tasks of Rural Revitalization in 2022*, Caitong Securities responded actively to consolidate and expand the achievements of poverty alleviation, hence comprehensively promoting rural revitalization. During the reporting period, Caitong Securities carried out a number of rural education activities in contribution to the development of China.

The subsidiary Caitong Capital signed the Cooperation Agreement on Youfu Equity Investment Fund with Changshan State-owned Assets Investment Corporation to support the revitalization of industries with local characteristics.



The subsidiary Caitong Capital cooperated with Longyou County Government to establish the "Jincai Agriculture, Culture, and Tourism Common Prosperity Fund" of RMB 1 billion to support industry development for rural revitalization.



Education on Financial Intelligence to Imagine the Future of Rural Students

In 2022, Caitong Securities entered Qingxi Xincheng Primary School, Qiandaohu Town, Chun'an County, and Huanggang Primary School, Gubu Town, Yugan County, Shangrao City to carry out public welfare activities for education on financial intelligence, and donated high-quality financial and business books to improve rural education resources. These public welfare education activities helped the children establish correct beliefs and awareness of wealth, further improve their comprehensive quality, and light up the future of rural students.



"Education on Financial Intelligence for Mountainous Areas" to support rural revitalization

Performance Highlights

Invested RMB 19.4829 million in 2022 for rural revitalization

Carried out the special action of "Thousands of Enterprises Joining Hands with Thousands of Villages" to support Changshan County, Zhejiang Province with RMB 500,000

Carried out the action of "Income Increasing for Low-income Farmers" to support Tiantai County, Zhejiang Province with RMB 500,000

A total of RMB 1 million

"One Company for One County" targeted assistance, providing Gangu County, Gansu Province with RMB 600,000;

Yugan County, Jiangxi Province with RMB 500,000; Jiange County, Sichuan Province with RMB 800,000

Luquan County, Yunnan Province with RMB 800,000, totaling RMB 2.70 million

East-West poverty alleviation collaboration, providing Xuanhan County, Sichuan Province with RMB 500,000

Supported 64 left-behind persons

Supported 65 disabled persons in rural areas

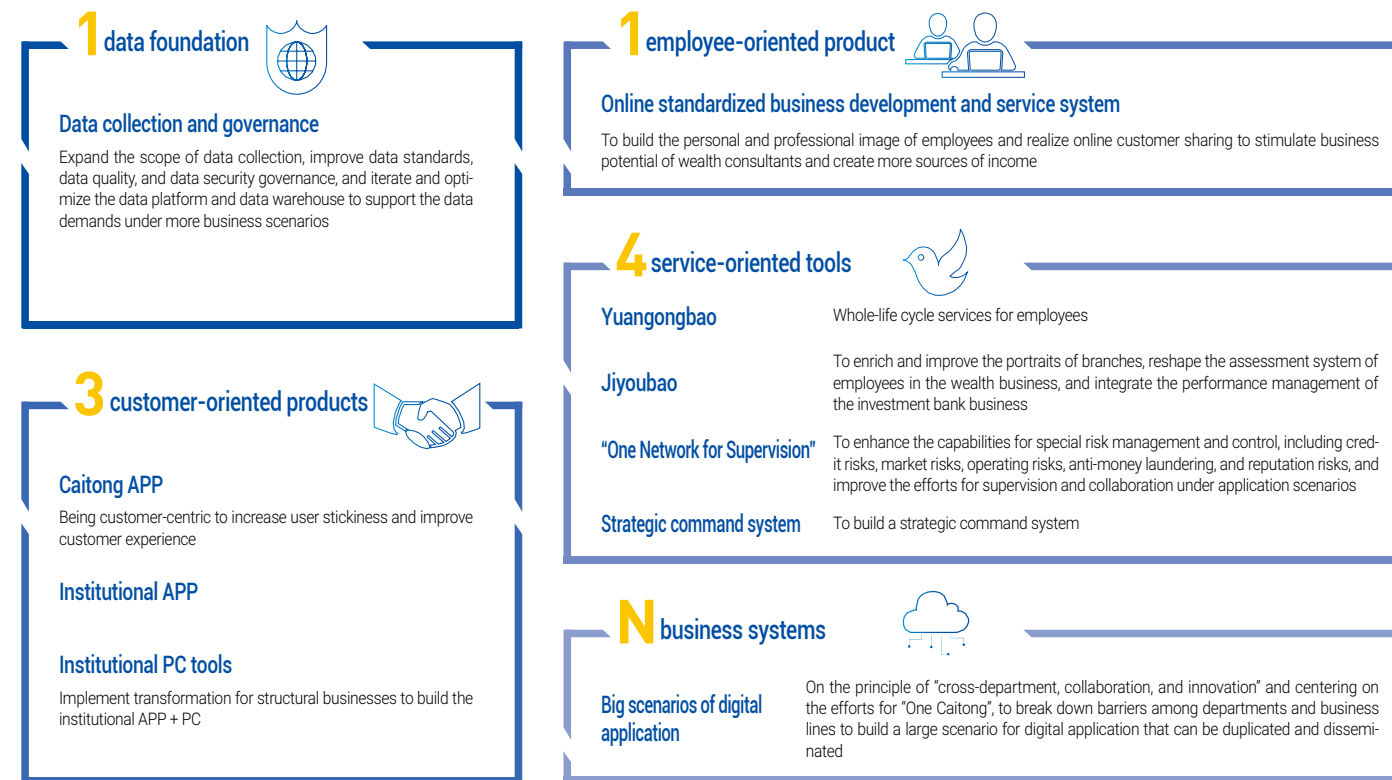
Provided support through consumption by purchasing special products including grapefruit and grapefruit juice in the amount of RMB 588,200 from Daqiaotou Township, Changshan County, Zhejiang Province

Provided condolence support to 35 households in hardship in Mengqiao Village, Daqiaotou Township, Changshan County, Zhejiang Province, and Shuangmiao Village, Maduguan Township and Shaping Village, Baima Township, Xuanhan County, Sichuan Province in the amount of RMB 42,000

Enhancing Digital Intelligence Through Financial Technologies



In 2022, under the guidance of the "1314N" new strategic system, the Company further iterated and upgraded the "Digital and Intelligent Caitong" system, and proposed the collaborative innovation system for digital transformation of Caitong Securities, so as to make use of financial technologies to promote a new pattern of digital development.



Supporting the Whole-life cycle Growth of MSMEs with Financial Technologies

"Easy Investment in Zhejiang" ecological application system for direct financing system



Focus on equity financing while providing services for both investment and financing parties, covering the entire life cycle of enterprises to provide precise, convenient, and efficient direct financing services for technology enterprises and specialized, excellent, featured, and innovative enterprises

As a typical achievement of the transformation for quality improvement and coverage expansion in the financial field of the Company in response to the digital transformation in Zhejiang, "Easy Investment in Zhejiang" covers three major business sectors, including "investment, investment banking, and wealth management". After it was brought online, the "Easy Investment in Zhejiang" system has covered both the enterprise side and the financial ecology side, and achieved practical results by making use of the industry big data and industry models.

Scientific and innovative enterprises for positioning in the industry chain: 91,000 enterprises	Actively managed equity funds: 32 funds	Entrusted government industry funds: 22 funds
Enterprises covered by the APP: Over 23,000 enterprises	Size of actively managed equity funds: 8.16 billion	Size of the entrusted government industry funds: RMB 33.0 billion
Total direct financing: RMB 3.924 billion		

ESOP System of Jinfubao • Listed Stocks

To provide one-stop comprehensive financial services, including equity incentives, exercise transactions, tax planning, share repurchase, and share reduction

Jinfubao • Small and Micro Enterprises

To focus on the development needs of small-, medium- and micro-enterprises, and solve a series of problems, such as the risk that the improper shareholding structure affects the future development on the capital market, and the efficiency and compliance of profit distribution and repurchase management for proxy shareholding

Eliminating Risks and Guaranteeing Security, Improving the Quality and Efficiency of Sustainable Development



- ◎ **Column** Building "Grand Supervision Network"
- ◎ Corporate Governance
- ◎ Compliant Operation
- ◎ Business Ethics

Contribution
to SDGs



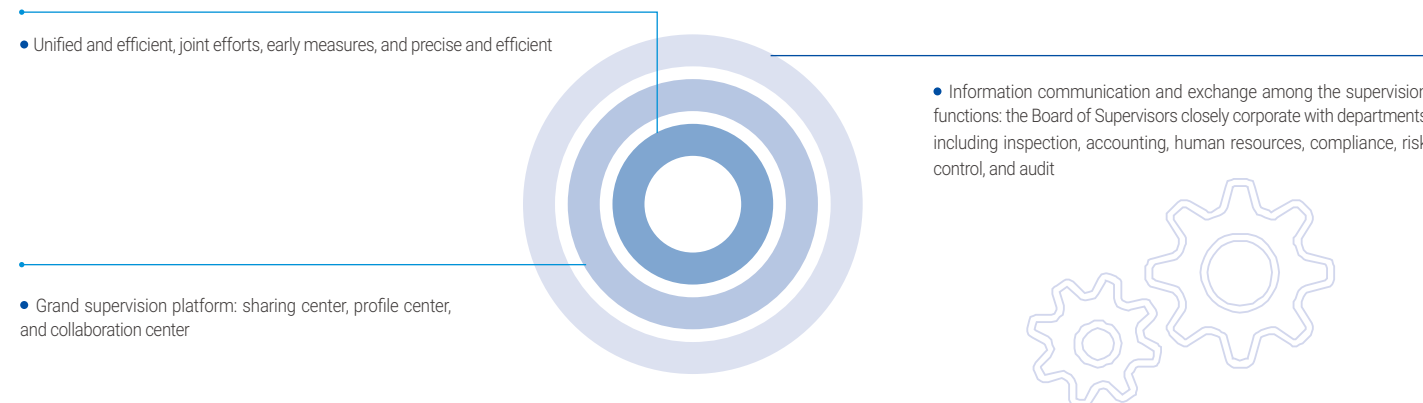
Building "Grand Supervision Network"



As an important service provider on China's capital market, Caitong knows that integrity and compliance are an important guarantee for maintaining the financial security and stability of the industry and guiding its high-quality development, for which the effective supervision is critical to ensure the compliance with business ethics by employees. In 2022, the Company continued its efforts to deepen the grand supervision system by effectively improving the grand supervision system and creating "one network" for supervision at Caitong, so as to empower compliance risk control and improve quality and efficiency through digital intelligence.

Description of the Grand Supervision System

The Company has formulated the *Opinions for Implementing the Grand Supervision System*, which stated the specific implementation path for precise and efficient supervision to build a Grand Supervision platform consisting of the "sharing center, profile center, and collaboration center" under the requirements of being "unified and efficient, joint efforts, early measures, and precise and efficient", so as to achieve information communication and exchange among the seven major supervision functions, namely, the Board of Supervisors, patrol inspection, financial, human resources, compliance, risk control, and audit.



Corporate Governance

The Company strictly followed the requirements of the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Regulations on the Supervision and Administration of Securities Companies*, the *Guidelines on the Governance of Securities Companies*, the *Guidelines on the Governance of Listed Companies*, and other documents to build a governance structure featuring mutual independence, mutual co-operation, clear division of rights and duties, and checks and balance, hence ensuring the comprehensive and effective system for corporate governance.

As the leadership core and political core in the governance structure, the Party Committee is responsible for the development of the enterprise and taking active measures to establish a mechanism for communication with the shareholders' meeting, the Board of Directors, the Board of Supervisors, and the management to support exercise of duties in compliance with law.

Investor Protection

The Company attached great importance to the protection of investor interests. It continuously strengthened capabilities for investor relationship management, actively fulfilled obligations of investor suitability management to build the foundation for the development of the capital market.

Optimizing Investor Relationship Management

The Company has established a comprehensive mechanism for routine communication with investors through various channels such as investor consultation hot line, online interaction, email, on-site reception, performance briefing, road show, and the e-interaction platform of the Shanghai Stock Exchange, which established a bridge for diversified daily communication to improve the transparency of the Company.

In 2022, the Company:

Answered **106** questions on the e-interaction platform of the Shanghai Stock Exchange Hosted **6** online reception activities Organized **4** roadshows Held **3** performance briefings

In 2022,

Shareholders' Meeting: Held **2** meetings

Considered and passed **21** proposals

Board of Directors: Consisted of **9** directors, including **3** independent directors, **1** employee director, and **2** female directors

Held **10** meetings, and considered and passed **69** proposals

Board of Supervisors: Consisted of **5** supervisors

Held **4** meetings, and considered and passed **30** proposals

Small and Medium Investor Protection

To strengthen protection of small and medium investors, the Company further improved its internal regulations to standardize the process for protection of small and medium investors, and implemented such regulations in investor education services.

Special Event of the Year under "Caitong Path to Financial Management"

In 2022, Caitong Securities organized and carried out the special public welfare activity for investment education under the theme of "Caitong Path to Financial Management". With "hundreds of schools, thousands of enterprises, and tens of thousands of households" as the central theme, it disseminated financial knowledge and incorporated protection of small and medium investors into its education and routine business operation, hence truly implementing services for education of small and medium investors.

- **"Hundreds of schools":** Go to schools throughout China to conduct activities such as financial and business classes, financial and business knowledge quizzes, etc.
- **"Thousands of enterprises":** Go to the enterprises to hold "financial afternoon tea" salons, "corporate finance classroom", and other activities
- **"Tens of thousands of households":** Go into communities, townships, and public places to serve the financial service needs of local people

Compliant Operation

Risk management

The Company has established the idea of comprehensive risk management, continued its efforts for building the compliance culture, enhanced its mechanism for compliance risk control, achieved full coverage of the compliance risk control system, and standardized internal actions of the Company to build the atmosphere of integrity in business operation and all-round protection against ethic risks.

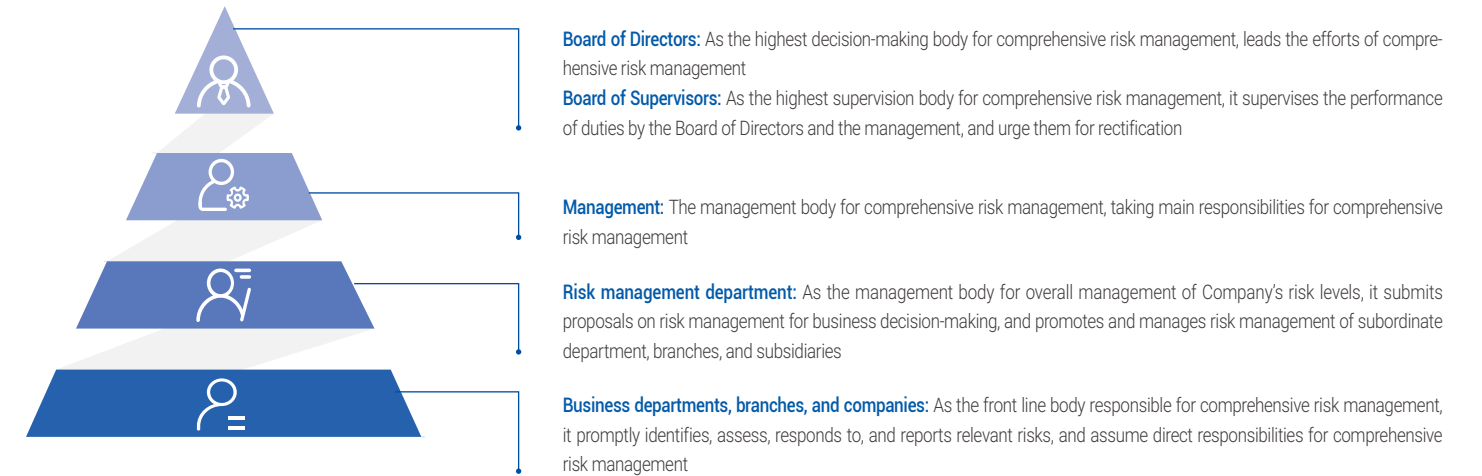
In 2022,
the Company invested in compliance risk control for RMB
184.183 million

The Concept of Comprehensive Risk Management

The Company established the idea of comprehensive risk management in line with the requirements for risk control in the financial industry and its goals of risk management and control. The idea of comprehensive risk management called for the participation of the Board of Directors, managers, and all employees and subsidiaries of the Company. Under the strategic goals, the Company identified, assessed, monitored, and managed various risks in its business operation, and incorporate subsidiaries into the system of comprehensive risk management of the Company.

Organizational Structure of Risk Management

The Company has established a four-level organizational structure for risk management consisting of the Board of Directors, Board of Supervisors, managers, risk management department, compliance department, various functional departments, business departments, and subsidiaries. The organizational structure for risk management is clear in the division of duties, complete, and sound to promote more scientific, reasonable, comprehensive, and effective risk management and control of the Company.



Risk Management System

Layer 1

Basic Regulations for Risk Management: Explain the core meaning of the comprehensive risk management, sort out the organizational structure and division of duties for risk management, identify and assess major risks, clarify the mechanism and implementation methods for risk management, and guide the Company for risk prevention

Layer 2

Core regulations: On the basis of the various risks identified by the Company and the business types of the Company, a matrix for risk management has been formulated; the special core regulations for indicator management of risk control, risk limit management etc. have been formulated

Layer 3

Specific implementation rules: Formulate specific implementation rules based on the core regulations for risk management, and formulate specific risk management regulations around the risk management measures, assessment, accountability methods, etc. of the Company

Risk Management Measures

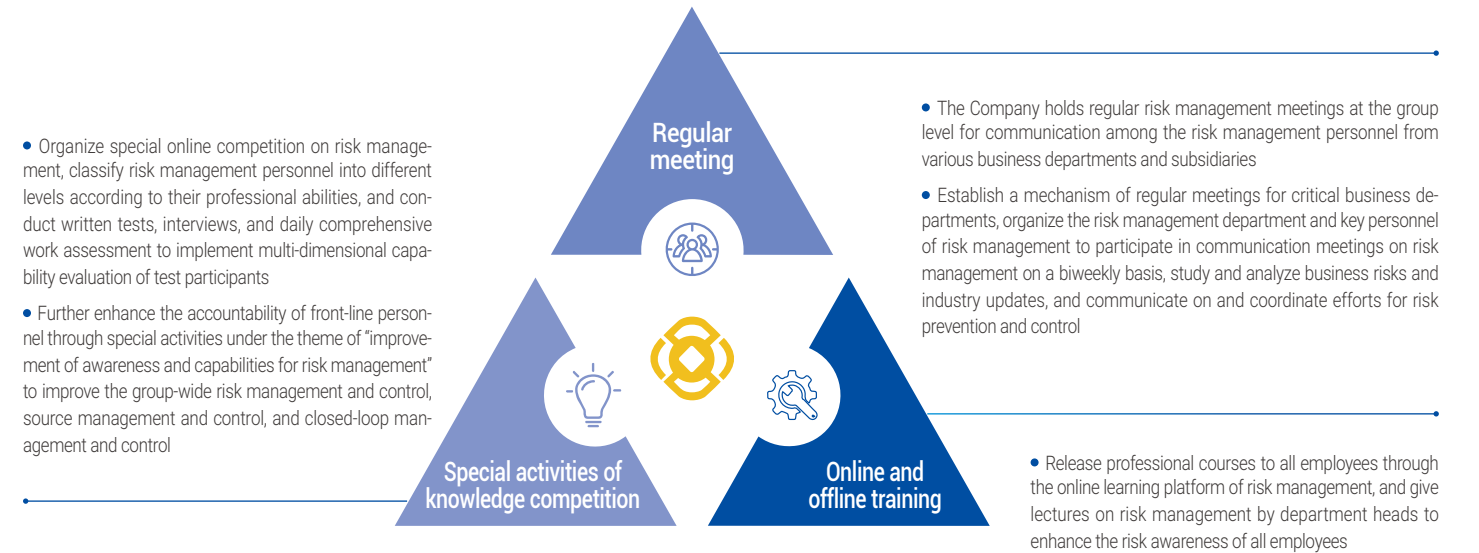
Risk Identification

The Company carried out measures for risk identification of the year to identify possible risks in six categories of operation, and formulated risk management plans and measures on the basis of the foregoing.



Meetings and Activities

The Company made regular communication on risk management by organizing regular risk management meetings and online and offline diverse activities to improve the risk awareness of employees, strengthen capabilities for joint efforts of risk management, and consolidate the level of risk management capabilities.



The Company Held the First Risk Management Work Meeting of the Group in 2022

The Company held the first risk management work meeting of the group in 2022 in the form of on-site meeting and video meeting to promote and improve the Company's efforts for risk management. More than 50 persons, including the relevant persons responsible for risk management of the Company attended this meeting.

With reference to the current macro environment, industry development, and other environmental backgrounds of the Company, the meeting analyzed the situation of and existing problems in the risk management efforts, and pointed out that all personnel should be continuously sensitive to risks and prevent various risks in business development.

Compliance Management

The Company insisted on the bottom line of compliance management by strictly abiding by national laws and regulations related to the compliance management in the securities industry, establishing a scientific and effective internal control and compliance management system, continuously improving compliance of internal control measures, continuously building the culture and atmosphere for corporate compliance, and effectively carrying out internal control and supervision over front-line business personnel to ensure the stable operation of the Company.

Intellectual Property Protection

The Company strictly followed the requirements in the *Trademark Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*, the *Patent Law of the People's Republic of China*, and other laws and regulations to standardize its efforts for the protection of intellectual property rights.



Business Ethics

Anti-money Laundering

The Company has established and improved its internal control and management system against money laundering risks in strict compliance with the *Anti-money Laundering Law of the People's Republic of China*, the *Regulations on Anti-money Laundering of Financial Institutions*, and other laws and regulations, so as to thoroughly fulfill its anti-money laundering obligations and actively employ information technologies to improve the efficiency of anti-money laundering efforts.

Major Anti-money Laundering Efforts in 2022

Deepening the Foundation of Anti-money Laundering Efforts

- Improved the organizational structure and optimized the composition of the anti-money laundering leading group
- Amended **3** existing systems and updated **1** guideline
- Improved the assessment mechanism and indicators and achieved online management of assessment indicators
- Enhanced post training, carried out **10** training sessions on anti-money laundering at the headquarters of the Company, and participated in **3** training sessions organized by the regulatory authorities
- Continuously carries out inspection and audit cover over **80** branches and departments

Exploring the Advantages of Financial Technologies

- Launched the management platform for customer due diligence investigations and the self-assessment system for institutional money laundering risks
- Improved over 10 functions of the three existing systems, and optimized **43** factors of the suspicious transaction monitoring model and customer money laundering risk assessment
- Improved the functions related to customer identification of the business system
- Connected to and employed the interface of the National Internet Finance Association of China for identity verification of natural persons

Building a Defense Line for Assessment of Money Laundering Risks

- Completed self-assessment of institutional money laundering risks, which identified over **20** weak links in the control measures and proposed **25** measures for risk elimination
- Completed reassessment of money laundering risks for **22** businesses in **7** business lines
- Revised and released the *Management Measures for the Assessment of Business Money Laundering Risks*, established a mechanism for anti-money laundering review, and moved forward the measures for the prevention and control of money laundering risks

Anti-corruption

The Company attached great importance to its internal behavioral regulations and operation with integrity to prevent employees from moral hazards and carry out continuous measures in anti-corruption and anti-embezzling. Meanwhile, the Company strictly followed the *Regulations on Disciplinary Actions by the Communist Party of China*, the *Working Rules for Inspection and Supervision of Disciplinary Institutions of the Communist Party of China*, and other regulations to keep confidentiality in disciplinary actions. Relevant inspection efforts shall be conducted without disclosing the identity of the whistleblower, and neither any unit nor any individual may investigate the whistleblower.

In 2022, the Company:

Strengthen the Mechanism of Anti-corruption and Integrity

- Improve the mechanism for "four-responsibility integration", for which the Party Committee of the Company and the disciplinary inspection and supervision team at the Company jointly issued the Rules of Caitong Securities Co., Ltd. for Implementing the "Four-responsibility Integration" Working Mechanism.
- Establish and improve the mechanism of joint meetings between the Company's Party Committee and the disciplinary inspection and supervision team at the Company, for which the Working Rules for the Joint Meetings Between the Disciplinary Inspection and Supervision Team at the Company and the Company's Party Committee was printed and released, and 4 joint meetings were held
- Establish the mechanism of "mutual learning and mutual promotion for joint improvement", under which the Company's Party Committee and the disciplinary inspection and supervision team at the Company jointly released the Action Plan for "Mutual Learning and Mutual Promotion for Joint Improvement", and the person in charge of the disciplinary inspection and supervision department was sent to critical business lines for special counseling

Smooth Reporting Channels

- Set up an email of the internal disciplinary inspection department to receive reports on suspected violation of discipline and regulations by Party organizations, Party members, and cadres in accordance with regulations, disciplines, and laws

In-depth Learning and Exchange

- The Company's Party Committee listened to the special reports on all-out efforts to enforce strict Party discipline from the Party committees of Yongan Futures, Caitong Asset Management, Caitong Fund, and the Hangzhou branch, and the Party branches of Caitong Capital and Caitong Innovation, and conducted interviews on the "two responsibilities" for all-out efforts to enforce strict Party discipline
- Print the "heart-to-heart talk" manual for members of the Company's Party Committee leadership team, which specified the requirements of talks among the secretary and members of the Company' Party Committee in accordance with the *Several Guidelines on Political Life within the Party under the New Situation and the Notice of the General Office of the Party Committee of Zhejiang Province on Printing and Distributing the List of Five Responsibilities of Top Leaders and Leadership Members*
- Organize a special Party lecture on *Interpretation of the Spirit of the Eight Regulations of the CPC Central Committee* to achieve "mutual integration" between disciplines and businesses and "mutual improvement" of knowledge
- Open an anti-corruption column on the Company's OA online learning platform, and upload warning education films and other publicity and training courses to enhance anti-corruption awareness and capabilities

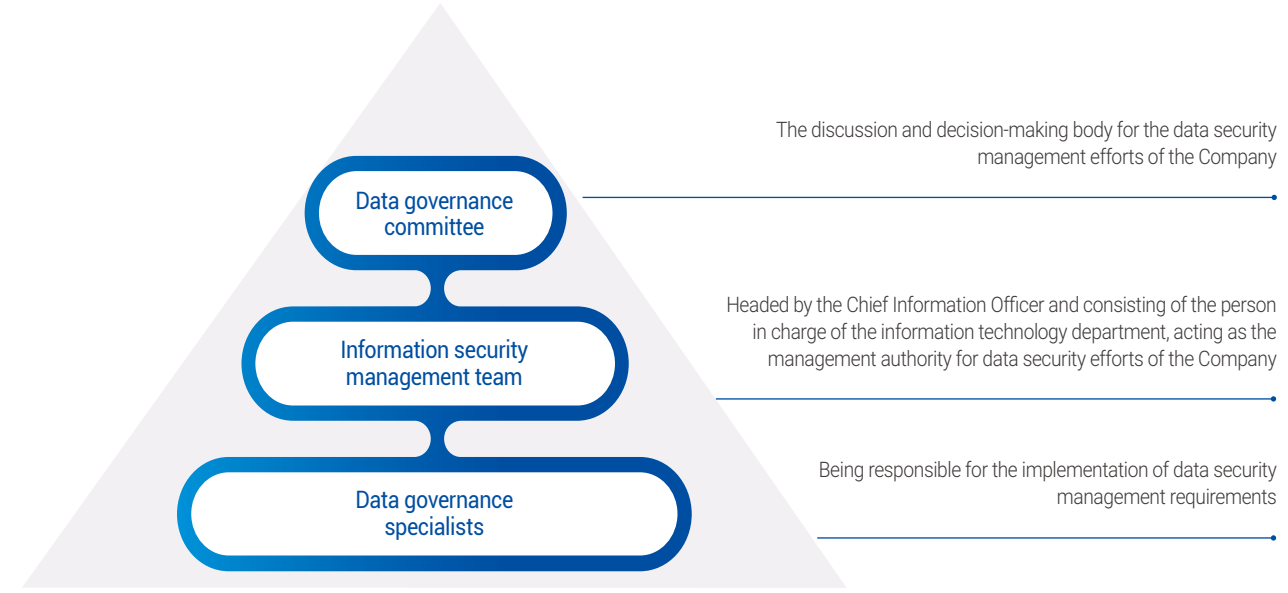
Data Security and Privacy Protection

The Company strictly followed *the Data Security Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China*, and other relevant laws and regulations to practically safeguard the data security of the Company, ensure the security of customer information and privacy, and ensure use of customer information in compliance with laws and regulations.

Privacy and Data Security Protection System

The Company has established a three-level management mechanism consisting of the data governance committee, the information security management team, and the data governance specialists at various departments, and released multiple internal control regulations on privacy and data security protection to prevent risks of data security and privacy protection in all aspects.

In 2022,
the Company invested in information technology for RMB **534.0561** million

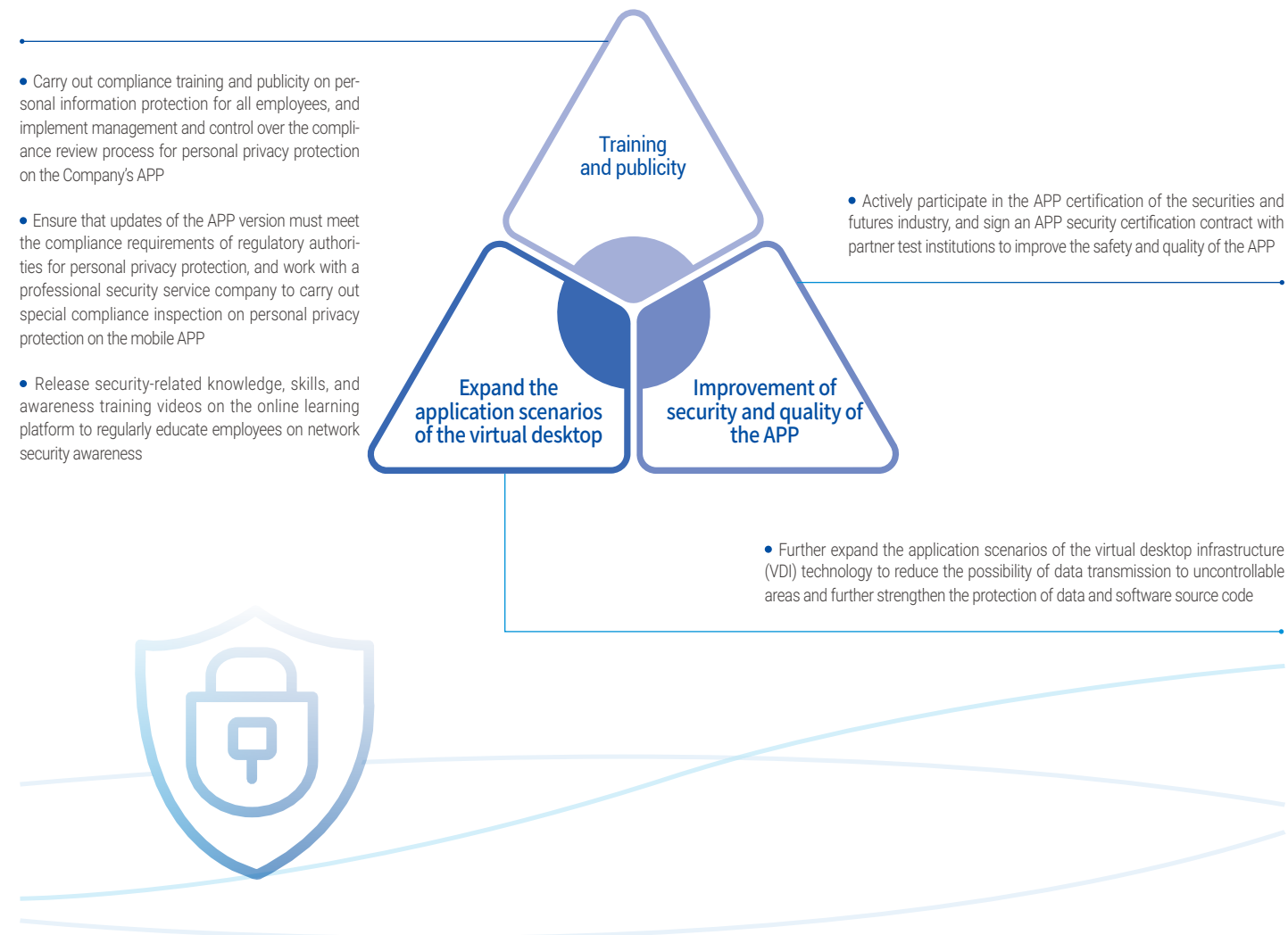


Organizational structure for data security governance

In 2022, the Company formulated multiple internal control regulations to specify the requirements on the security management of personal information, such as the Management Measures for Data Security, the Rules for Classified and Graded Data Management, the Management Measures for Terminal Security, etc.; and revised Data Governance Measures, the Rules for Classified and Graded Data Management, the Metadata Management Rules, the Management Rules of Data Quality and other normative documents, which improved the Company's capabilities and levels of data governance and ensured unified management, continuous control, and security of data storage.

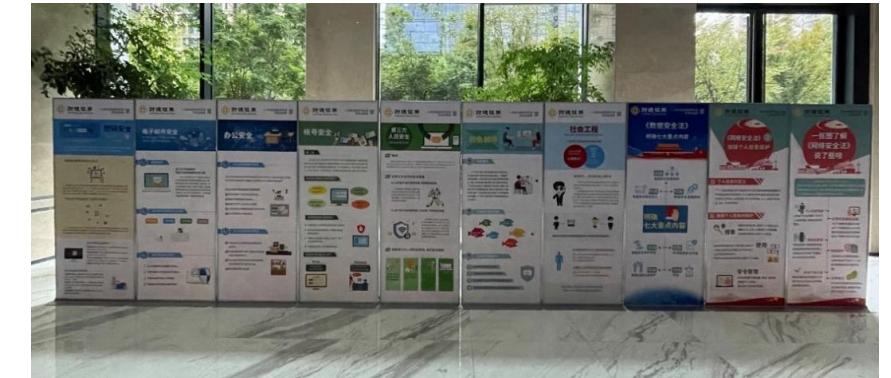
Emergency Management Mechanism for Data Security

The Company has formulated a special emergency plan for security events of data leakage, which specified the division of duties, reporting mechanism, disposal process, and information release mechanism upon the occurrence data leakage, so as to improve the efficiency of emergency handling. In August 2022, the Company invited a senior lawyer in the field of data and privacy protection to give a lecture on compliance of personal information protection for all employees with reference to the business characteristics of the securities industry, which enhanced the compliance awareness for information security of the employees.

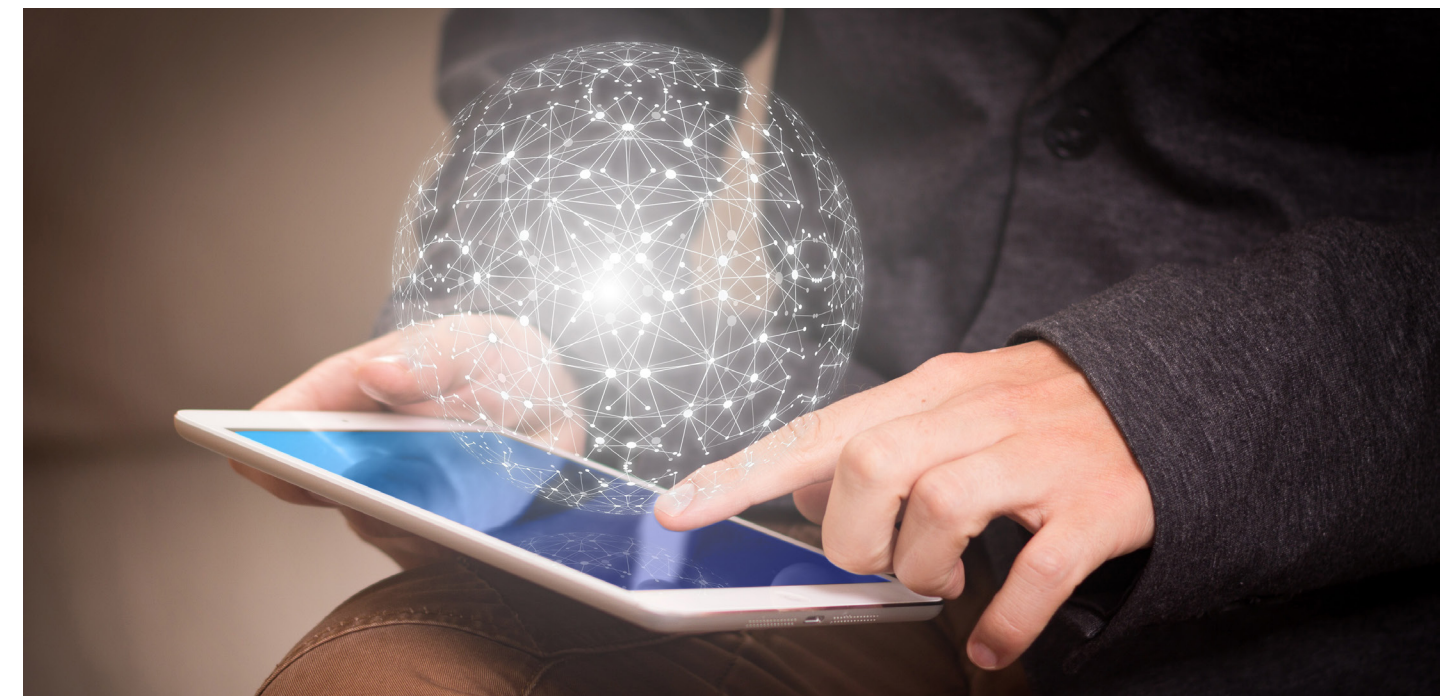


Week of Cyber Security Awareness Publicity

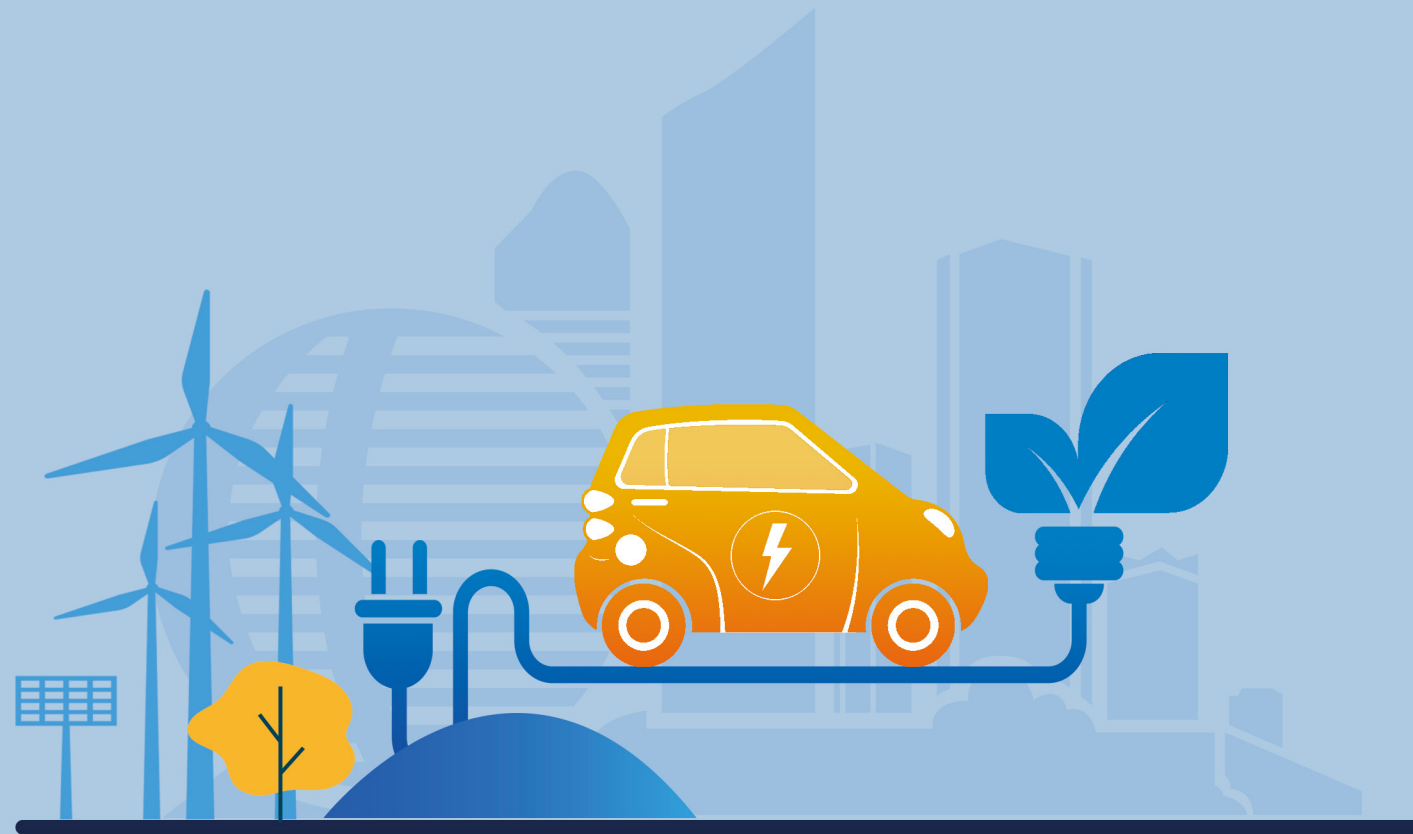
In October 2022, the Company carried out the activities for the week of cyber security awareness publicity under the theme of "enhancing awareness of and building a barrier for cyber security" in forms of thematic exhibition of cyber security knowledge, learning from videos, simulation of phishing emails, etc., which integrated knowledge on cyber security with actual operation to disseminate knowledge on national cyber security laws, regulations, and policies, hence building the cyber security atmosphere featuring "everyone being responsible for cyber security".



Week of Cyber Security Awareness Publicity



Focusing on the "Dual Carbon" Goals, Accelerating the Development of Green Finance



- ◎ **Column** Energizing the Actualization of "Dual Carbon" Goals Through Financial Services
- ◎ Responsible Investment
- ◎ Green and Low-carbon Operation

Contribution
to SDGs



Energizing the Actualization of "Dual Carbon" Goals Through Financial Services

Column

Focus on Green Investment

Financial capital boosted the listing of green industry

On April 29, 2022, State Power Rixin Tech. Co., Ltd. ("State Power Rixin") invested by Caitong Innovation was successfully listed on the Shenzhen Stock Exchange ChiNext market, becoming the seventh listed company invested by Caitong Innovation.

Founded in 2008, State Power Rixin has been committed to data application and development in the new energy industry for more than ten years, and its main business is energy data management, smart power plant service, smart grid planning and operation services and power trading services. Under the macro background of the carbon peaking and carbon neutrality policy, Caitong Innovation has been actively involved in the new energy informatization, empowering the development of new energy industry.

Escort the Development of Green Industries

Activated the new energy industry and boosted the development engine

On November 18, 2022, Caitong Securities, as the sponsor and lead underwriter, completed the allotment of shares to Zhejiang Windey Co., Ltd. ("Windey"). The number of shares validly subscribed was 159.8220 million shares, accounting for 98.25% of the total number of 162.6769 million shares available for placement, raising total funds of RMB1.47 billion. Based on the wind power research institute of Zhejiang Institute of Mechanical & Electrical Engineering Co., Ltd., Windey has undertaken a number of national "973" and "863" scientific research support programs, national key research and development programs and provincial and ministerial science and technology research projects in wind power field. At present, Windey has been honored as a national high-tech enterprise, a national innovative pilot enterprise and a leading innovative enterprise in Zhejiang Province, and has entered into a period of rapid development.

Supported specialized and sophisticated enterprises that produce new and unique products and escorted low-carbon transformation

On July 13, 2022, Kerun Intelligent Control CO.,LTD. ("Kerun Intelligent Control"), a specialized and sophisticated enterprises that produce new and unique products, also known as a little giant firm, sponsored by Caitong Securities, was listed on the Beijing Stock Exchange, becoming the first enterprise listed on the Beijing Stock Exchange in Quzhou. The public offering raised RMB150 million, mainly applied for energy-saving transformers and optimizing product structure. Kerun Intelligent Control is engaged in the research and development, manufacturing and sales of transformers, high and low voltage switchgear sets, outdoor equipment sets and other core equipment for power transmission and distribution, ensuring the rapid development of China's wind power generation industry and photovoltaic power generation industry.

Empower Value Creation

In active response to the requirements of national documents such as the Working Guidance for Carbon Dioxide Peaking and Carbon Neutrality in Full and Faithful Implementation of the New Development Philosophy and the Guiding Opinions on Promoting Investment and Financing in Response to Climate Change, the Company increased business support for green enterprises engaged in green energy transformation and energy conservation and environmental protection through green bond underwriting and issuance, green industry research and other means.

In 2022, our subsidiary Caitong Capital set up a number of green funds such as Changshan Yufu, Hangzhou Xiaotong, Wenling Caixin and Huzhou Xinchanghe to fully support the development of green industries such as new energy, digital intelligence low carbon and healthcare.

Issued green bonds and provided capital matching for companies

Broad green bonds issued in 2022:

- On May 6, 2022, Longyou County State-owned Assets Management Co., Ltd., with Caitong Securities as the lead underwriter, successfully booked the issuance of non-public offering of corporate bonds (Phase I) to professional investors in 2022, with an issue size of RMB 260 million, a coupon rate of 3.98% and an issuer rating of AA. The funds raised are intended to be used mainly for the construction of the nucleic acid testing base and simple facilities for rural isolation and containment cells, and the expenses related to living materials and necessities procurement.

Corporate bonds under review in 2022:

- Green bonds issued by Wenling State Owned Assets Investment Group Co., Ltd. in 2022 with a par value of RMB 800 million
- Green bonds issued by Hangzhou Xihu Urban Construction Investment Group Co., Ltd. in 2022 with a par value of RMB 3 billion
- Green bonds issued by Hangzhou Xiaoshan Transportation Investment Group Co., Ltd. in 2022 with a par value of RMB 1.5 billion

Corporate bonds under review in 2022:

- Green carbon-neutrality corporate bonds issued by Jingzhou Development Group Co., Ltd. in Jingzhou City to professional investors through non-public offering in 2022 with a par value of RMB 1 billion

Green Industry Research

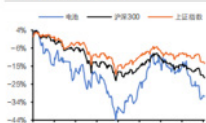
The Company attaches great importance to ESG research. We deeply developed photovoltaic, wind power, energy storage, hydrogen energy, the third-generation of semiconductor, new energy vehicles and other businesses along the industry chains under the new energy segment, and issued a research report on the nano-ion battery industry with the title of "Ready to Grow" and a report on the energy storage industry with the title of "The compound growth rate of the global energy storage market from 2021 to 2025 is expected to reach 94.26%", guiding more investors to pay attention to the new energy sector and promoting sustainable socio-economic development.

财通证券 CAITONG SECURITIES 电池 / 行业深度分析报告 / 2022.9.24 钠离子电池行业深度报告

投资评级：看好(首次)

蓄势待发，即将快速成长

最近 12 月市场表现



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相关报告

核心观点

- ▶ **钠离子电池量产成本比锂离子电池低 35% 左右，与锂电池形成补充。**钠离子电池上游资源储量丰富廉价，中游材料成本低廉，制造环节与锂离子电池相通，钠离子电池规模化低成本（0.3 元/Wh 以下）成为锂电池的有效补充。同时，钠离子电池稳定性高，低温性能好，而且能量密度、循环次数远超铅酸，因此钠离子电池在两轮车、储能等领域有较大的市场空间。
- ▶ **钠离子电池最新的技术形式，正极、负极、电解液、集流体四个环节不同于锂电。**正极材料：钠离子电池主要有层状金属氧化物、普鲁士蓝和聚阴离子类化合物，层状金属氧化物发展较为成熟，有望率先量产；负极材料环节：由于迁移的离子不同，硬碳与正负极配对更为合适，有望成为主要材料；集流体：钠离子电池的负极可以使用铝箔；电解液：采用六氟磷酸钠作为电解质，添加剂各异，影响钠电池的性能。
- ▶ **预计 2025 年钠离子电池市场规模为 398 亿元，行业处于量产化前夜。**钠电行业公司积极布局钠离子电池行业，宁德时代于 2021 年发布钠离子电池，有望于 2023 年形成钠离子电池产业链，传艺科技 2023 年 1 期预计达到 2GWh 产能，中科海纳 2023 年有望形成 1-2GWh 钠离子电池的产能，我们预计随着钠离子电池的规模量产，其成本经济性优势加速其市场渗透率，未来有望在两轮车和储能市场占据较大的空间。
- ▶ **投资建议：**我们认为钠离子电池是能源的一种重要形式，看好钠离子电池产业的发展，看好具有核心技术的钠电及相关材料公司，建议关注电池端：传艺科技、宁德时代、华阳股份；材料端：容百科技、振华新材、多氟多等。
- ▶ **风险提示：**钠电产业化进度不及预期；下游市场不及预期；产品成本超

财通证券 CAITONG SECURITIES 电力设备 / 行业深度分析报告 / 2022.9.29 储能行业深度

投资评级：看好(维持)

方兴未艾，全球储能市场 2021-25 年复合增速有望达到 94.26%

最近 12 月市场表现



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相关报告

1. 《材料 307 元/kg 较上周维持不变 中广核广东阳江核岛 1GW 海上风电项目开标》 2022-09-25
2. 《锂电新能源车行业深度投资策略：风险溢价 3.63 万元/吨 上涨 2.68% 拟在浙江湖州产业园建设锂电池项目正式开工》 2022-09-25
3. 《钠离子电池行业深度报告：蓄势待发，即将快速成长》 2022-09-24

核心观点

- ▶ **碳中和碳达峰趋势下，储能是风光装机量提升的必然选择。**随着全球可再生能源发电占比从 2000 年的 1.40% 提升至 2021 年 12.85%，消纳、输配、波动等问题出现，储能能够协助电网进行调峰调频，以及在户用端帮助用户进行峰谷价差套利。截至 2021 年，全球已投运储能项目的累计装机量达 209.4GW。在储能众多发展技术中，机械储能技术最为成熟，电化学储能潜力最大，截至 2021 年提升 4.7% 上涨至 12.2%。
- ▶ **国内表前侧市场部分地区接近经济性拐点，海外户储经济性明显。**表前侧市场中，可再生能源并网内部分二三类地区开始接近经济性拐点，其中二类和三类地区的配储成本（0.34 和 0.42 元/kWh）已经基本和并网电价（0.35 和 0.41 元/kWh）持平。电网端，调峰市场磷酸铁锂价格接近服务费中位区间，调频市场化学储能已经开始具备经济性（储能电池在 0.65 元/kWh 上具有经济性）。我们预计未来随着电芯成本逐渐下降以及电池循环次数上升，表前侧市场经济性将逐渐明显。户用市场中，海外户用储能市场由于海外欧美峰谷价差明显，叠加电网基础设施落后，经济性明显。
- ▶ **我们预计 2025 年全球储能市场空间达到 470.32GW。**表前侧市场中，受益于全球可再生能源占比提升带来的并网需求，我们预计 2025 年储能需求量将达到 134.95GW/310.77GWh，21-25 年年复合增长率为 88.99%；户用市场中，受益于俄乌战争带来的欧洲能源价格上涨以及自发自用高经济性，我们预计 2025 年储能需求 65.76GW/159.55GWh，年年复合增长率达到 107.97%。
- ▶ **投资建议：**考虑到当前风光并网快速增长对储能需求加大，同时叠加俄乌冲突导致的欧洲能源价格快速增长，间接带来户储行业需求快速增长，我们看好储能供应链中价值量较高的逆变器环节，建议关注储能逆变器及集成商：阳光电源、锦浪科技、固德威、德业股份等；储能电池及供应商：宁德时代、亿纬锂能、派能科技等；中游材料端：德方纳米、恩捷股份等。



Reports on the nano-ion battery industry and the energy storage industry were issued

Finance was linked to the investment and development of green industries

We hosted a special conference on key wind power components to discuss industry development with experts:

On September 6, 2022, the Company hosted the "Key Wind Power Components Technology Development Forum". Together with the China Bearing Industry Association and Jiangsu Lixing General Steel Ball Co., Ltd., we invited more than 100 senior experts in the wind power industry, executives from core companies in the wind power industry and key institutional investors including mutual equity funds, insurers, capital management companies and private equity funds to discuss the development trend of wind power components technology and its investment opportunities.

We conducted a special conference on wind power, photovoltaic and energy storage to discuss industry development trends:

On November 18, 2022, the Company invited core enterprises in the field of wind power, photovoltaic and energy storage, as well as key institutional investors from public and private sectors to discuss the status quo of wind power, photovoltaic and energy storage industries, their future development trends, industry patterns, enterprise competitiveness and changes in the supply chain. Caitong Securities has actively responded to the call of the 20th CPC National Congress to promote green industry research, so as to escort green transformation for enterprises.



Hosting Industry Conference



Responsible Investment

Organizational Structure of Responsible Investment

The Company has established a strategy and ESG committee and an ESG management team, and set up ESG liaison officers in relevant departments at headquarters and subsidiaries to continuously improve the professional capacity and management of responsible investment. When making investments, ESG factors have been incorporated into the selection of investment targets and the decision-making process of the Investment Decision Committee. The Company explicitly requires relevant business departments to incorporate ESG factors into the entire process of the Group-wide equity investment business, fixed income business and equity investment business, and to include three important factors, i.e. environmental responsibility, social responsibility and corporate governance, in the investment decision.



Responsible Investment Strategies

The Company has integrated the ESG investment concept into the whole process of pre-investment, investment and post-investment, pursued the maximum intersection of business value and social value, and empowered the portfolio companies with capital, talent, resources and operation, so as to achieve the common growth of the Company, the portfolio companies, the industry and the society.

Select Positive Companies

- Screen sectors and companies that are better than their peers in environmental, social and corporate governance, with a focus on underlying companies that are in line with national development strategies and have a green development philosophy
- Monitor the development and new changes in the field of science and technology innovation, and choose the opportunity to make investments; for investment in the traditional energy industry, priority will be given to companies with a high level of environmental management
- As for intelligent manufacturing, priority will be given to companies with high levels of environmental management and intelligence; while for medical and healthcare, priority will be given to companies that solve practical problems of people's livelihood and promote the development of social health and hygiene

Exclude Negative Companies

- Set up a negative list for investments to exclude companies that do not generate social benefits and are not in line with sustainable development routes



Integrate ESG Factors

- When making research analysis and investment decision, whether the issuer fulfills its social responsibility and its performance in the environment and corporate governance will be judged comprehensively, which together with traditional financial indicators and other factors, will be considered in making investment decisions
- Include in the investment analysis whether the investment target is in line with the national strategic direction, whether there are significant violations of law, whether there are integrity issues and other ESG-related factors, and assign a weighting to each ESG factor and derive a comprehensive evaluation score as a reference for investment recommendations

Active Shareholders

- Proactively participate in the corporate governance of the companies it bids for, such as strengthening contact with listed companies through on-site research and voting at shareholders' meetings, and pay attention to the actions and measures of the companies in environmental, social and corporate governance, so as to make up for the inadequate disclosure of ESG-related data and information asymmetry of the invested companies, and assist and urge listed companies to implement ESG concepts
- Strengthen post-investment management, attach great importance to governance modernization and employee care, and insist on transferring ESG concepts to portfolio companies to empower the improvement of corporate governance

Sustainability Topics

- Invest in green bonds
- Issue ESG strategic products
- Boost the sustainable development of enterprises in the photovoltaic, energy storage and lithium industries



Impact Investing

- Participate in bond investments with funds to be used for precise poverty alleviation and new energy



Green and Low-carbon Operation

In active response to the national goal of carbon peaking and carbon neutrality, Caitong Securities has practiced the concept of conservation, low carbon and environmental protection. We promoted carbon emission reduction in our own operation and business to strengthen our low-carbon operation. The Company also urged its employees to participate in training on resource conservation, energy saving and emission reduction, and encouraged green travel, in a bid to minimize the impact of its own operations on the environment. During the reporting period, the Company invested RMB23.0367million in environmental protection. Among them, RMB560,000 was invested in the ecological protection.

Performance Highlights

Renewable energy consumption: 53,642 kWh

Municipal water purchases: 30,288 cubic meters in 2022

Investment in the ecological protection: RMB560,000



Reduced energy consumption

- Invested RMB10.066 million to carry out the renovation of office building exterior wall insulation
- Adopted air duct unit and VRV system for zoning control. The temperature of air conditioner should not be lower than 26°C in summer and not higher than 20°C in winter
- Invested RMB4.52 million to install solar photovoltaic panels
- Utilized energy-saving LED light sources to reduce electricity consumption of the lighting system
- Invested RMB323,000 to install electric vehicle charging piles to encourage green travel



Circular economy

- **Waste classification:** Carried out kitchen fume purification equipment renovation and front-end residue treatment renovation. Improved the efficiency of waste classification and reduced water pollution
- **Rainwater recycling:** Rainwater was used for vehicle washing and green plant irrigation after treatment. In 2022, the Company used 2,992 cubic meters of collected rainwater
- **Clear your plate campaign:** Eliminated the use of disposable paper cups and invested RMB90,000 in recyclable cups



Waste management

- Electronic waste, toner cartridges and other hazardous waste were cleaned and recycled by a third party
- Adopted the principle of "3-year warranty and offline after 5 years of operation" for the important core production system equipment. If the equipment that has been in use for more than five years is functioning and well configured, such equipment was used for testing and simulation, etc. If the equipment that has been scrapped or failed can no longer be used, the available hard disk, memory, etc. were reused as spare parts for out-of-warranty equipment repair and capacity expansion

Green office

- **Paperless operation:** Digitally managed company management and business lines, practiced conservation and controlled expense management and use approval
- **Business Travel Platform Management System:** Coordinated the management of daily travel and business trip expenses of employees and encouraged the use of public transportation

Energy efficiency for the data center

- **Reduce consumption through frequency conversion:** The construction used Vertiv precision inverter air conditioners to reduce energy consumption through intelligent temperature control systems
- **Utilization optimization:** Installed cabinet blinders for uncommitted cabinets to reduce overheating and avoid "hot zone" problems in the data center, improving energy efficiency
- **Infrastructure operation and maintenance:** Precisely improved the cooling effect of the supervision equipment to avoid the occurrence of "leakage" in the data center and reduce reactive power consumption

Promoting Philanthropy, Improving Public Welfare and Social Harmony



- ◎ **Column** Fostering a "Family Culture" in Workplace
- ◎ Customer Services
- ◎ Social Welfare
- ◎ Employees' Rights and Interests
- ◎ Employee Development

Contribution to SDGs



Fostering a "Family Culture" in Workplace



Employee Benefits

The Company continues to optimise its employee benefits system to enhance the sense of identity and belonging of its employees. The Company paid social insurance and housing provident fund on time and in accordance with regulations, actively fulfilled the annual leave system, maternity leave and other related systems stipulated by the state, and established supplementary medical insurance, enterprise annuity, regular medical checkups, regular health retreats and other welfare facilities to optimize the lives of employees. In 2022, the Company continuously improved the standard of its canteen, safeguarded the health of employees and improved the medical check-up programme for its employees to gradually refine its employee benefits mechanism.

The Company formulated and implemented the *Employee Director and Employee Supervisor System* in 2022 in accordance with the *Company Law of the PRC*, the *Trade Union Law of the PRC*, the *Articles of Association of the Chinese Trade Unions* and the *Opinions of the All-China Federation of Trade Unions on Further Promoting the Employee Director and Employee Supervisor System* issued by the All-China Federation of Trade Unions. The Company elected employee directors and employee supervisors in accordance with the law. As representatives and defenders of employees' interests, employee directors and employee supervisors gave full play to their role as a bridge in the Board of Directors and the Board of Supervisors to speak up for employees and ensure their rights and interests. The Company has established and implemented the system of employee representative assembly and collective bargaining system to ensure the democratic participation of employees in the whole process from participation, decision-making to supervision.

The Company attaches importance to the physical and mental health of female employees by providing them with a warm and comfortable office environment, and also takes efforts to protect the rights and interests of female employees and enhance their happiness.



Non-remuneration Benefits System

Annual retreats

In 2022, **1,662** employees participated in our retreats

Annual medical check-ups

In 2022, **100%** of our employees received medical check-ups

Kindergartens

We solved the worries of employees about taking care of their children and significantly improved their sense of belonging and well-being

Supplementary medical insurance

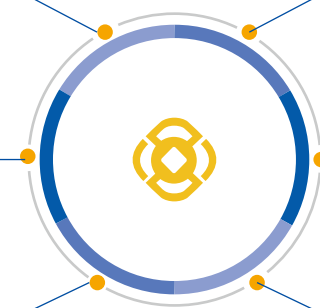
This is applicable to all employees of the Company. Medical expenses incurred by employees in the year can be paid through the Company's designated insurance company with medical invoices and supporting documents

Enterprise annuities

This is established in accordance with the relevant national laws and regulations to protect and improve the benefits for employees after retirement

Accident insurance

In addition to paying for all current employees of the Company, all interns in the Company are covered to fully guarantee the rights and interests of interns



Employee Care Initiatives

The Company holds the March 8 Goddess Day event every year

The Company sets up a mommy hut in the Employee Family

The Company provides an extra care insurance for all female employees

Care for all employees

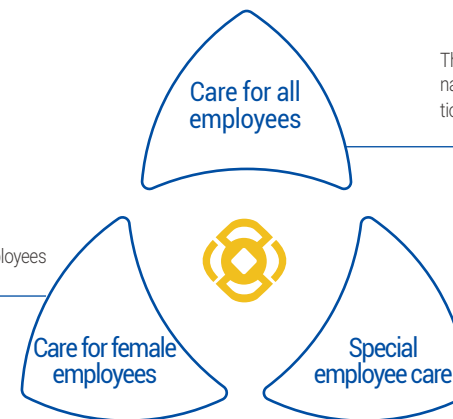
The Company provides employees with welfare facilities such as gymnasium, canteen, infirmary and baby care room. The employee satisfaction for the head office canteen was **98.52%**

Care for female employees

Special employee care

In case of employees' marriage, funeral, childbirth and difficulties, our trade union sent condolences to more than **90** employees throughout the year, which amounted to **RMB270,000**

At the same time, we sent condolences of **RMB80,000** to employees in difficulty





Baby Care Room



Canteen



Gymnasium



Infirmary

Diversified Activities

The Company is committed to creating a warm and harmonious working environment. To achieve this goal, we carried out extensive cultural and sports activities to care for the physical and mental health of our employees and enhance their sense of happiness in all aspects.

Build the culture of "Caitong Day" and realise the dream of Caitong people

On October 24, 2022, the Company launched the "Caitong Day" cultural activities, which, through a series of activities such as theme speeches, results sharing, cultural performances, painting and calligraphy exhibitions and fun interactions, demonstrate the development of the Company and its employees, share its achievements and glories, enhance the sense of belonging and happiness of its employees, strive to build the cultural cornerstone of loving, protecting and developing families, and convey to the society the positive energy of Caitong.



Picture of the "Caitong Day" Activities

As a carrier of corporate culture construction, the "Caitong Day" activities have advocated our cultural power. Caitong people have practiced the policy of financial services serving the real economy with their optimistic mentalities and positive attitudes.

In 2022, Caitong Securities's cultural construction practice was successfully selected in the "Annual Report on Culture Construction in the Securities Industry in 2021" of the Securities Association of China.



Running for dreams

On October 9, 2022, Caitong held the "Celebrate the 20th CPC National Congress, Run for a New Journey" event to mark its fifth anniversary of being listed, in which Caitong people celebrated the upcoming 20th CPC National Congress with their upbeat spirit and dream-chasing running posture. The event witnessed the perseverance and sweat of "Caitong people" in sports. Every time we overtook was a march for our dream, which demonstrated the spirit and united the strength of Caitong.



Picture of the Running Event

Fun sports of Caitong

On October 24, Caitong Fund, our subsidiary, launched the "Caitong Day" cultural activity: fun sports challenge. This activity reflected the happy cultural atmosphere of Caitong employees filled with vigour and vitality, and showed the unity and energy of Caitong family members.



Picture of Fun Sports

Occupational Safety and Health

The Company attaches importance to the workplace safety and the prevention of occupational diseases, and is committed to creating a healthy and happy atmosphere for its employees. The Company places greenery in its daily operations to take care of employees' eye health, and also carries out employee health programmes, such as setting up a gymnasium and conducting fitness activities to encourage employees to shape healthy bodies and positive mindsets. In 2022, the Company invited senior doctors to conduct a health seminar for employees to popularise the prevention of occupational diseases and how to develop healthy living habits, with a view to help employees establish the concept of healthy work. The Company arranges regular medical check-ups every year and pays attention to the mental health of employees, striving to pass on the cultural value of healthy living to employees and improve their sense of well-being.

Customer Services

Customer Experience

The Company implemented an innovative and synergistic reform. We built a strategic customer resource centre, created a strategic customer integration and sharing platform, became a strategic customer integration, expansion, sharing and maintenance centre and a hub for full life-cycle services, and formulated documents such as the *Management Measures for Customer First Question Responsibility of Caitong Securities Co.,Ltd.* and the *Investor Complaint Handling System of Caitong Securities Co.,Ltd.*, so as to improve customer experience.

Practising our purpose and serving our customers in good faith

The Company continued to optimise its services to be with every customer online at all times and to be truly customer-oriented in its different positions.

- The channel sales division patiently explained the logic behind the volatility to frontline wealth managers and investors via telephone and WeChat
- The institutional sales division has held 5 online roadshows for 5 consecutive trading days, where we invited internal and external experts to provide professional insights on macro strategies, interest rate markets, sector rotation, Russia-Ukraine conflict, etc.
- The e-commerce operation team conducted live streaming and produced short videos to accompany customers face to face



Caitong employees stayed on duty to serve customers

Taking into account the business needs of special groups in society, the Company has set up **three** caring windows and **three** accessible outlets to ensure that every customer is served.

Serving customers via digital technology

The Company promoted elderly-oriented and barrier-free services to help elderly investors access and use information on Internet applications equally and conveniently. According to the needs of elderly investors in accessing information, the official website of Caitong Securities and the Caitong Securities APP optimized their interface interaction, content reading, operation prompts, voice assistance and other functions, provided "Care Mode" and "Elderly Mode" for relevant applications and launched more products with large fonts, large icons and high-contrast texts, so as to improve the experience of elderly users in using Internet services, enhance the information accessibility, safeguard the legitimate rights and interests of elderly investors in the information age, and give elderly investors a greater sense of access, happiness and security in the development of information technology.

Protection of Rights and Interests of Consumers

To build the Caitong investor education brand, the Company combined traditional investor education contents with culture, technology, education and public welfare concepts, and set up an interactive investor education window with traditional Chinese design elements on its official website. Relying on a highly digitalized physical investor education base, the Company continues to convey positive wealth concepts to the society, thus helping more investors make investment decisions that are in line with their own risk tolerance, and guarding investors from illegal investment activities.



In 2022, the Caitong Securities Investor Education Base:

was licensed as a **"Second Classroom Activity Base for Young Students"**

Its original video representing Zhejiang Province won **the top prize** in the video competition in the CSRC's "My Extraordinary Decade with the Capital Market"

was named **"Lifelong Learning Experience Base for Citizens in Shangcheng District, Hangzhou"**

164 events were held throughout the year, serving over **40,000** visitors from different groups

Responsible Marketing

The Company values the authenticity of product marketing information, requiring marketing means to meet the requirements of social responsibility, and marketing links to strictly comply with the rules and guidelines of industry associations, eliminating unfair competition, not exaggerating or deceiving in content, not misrepresenting services or prices, not making misleading statements about competitors. The Company strictly managed marketing personnel's publicity and promotion to ensure that contractors promote our products and services in a timely and accurate manner. The Company also strictly supervised contractors' services and established a tracking and feedback mechanism to ensure their service quality.

Service Quality Assurance

The Company upholds the concept of "customer-oriented" and provides comprehensive financial services based on the actual demands of customers.



Performance Highlights in Customer Service Quality of Caitong Securities in 2022:

Customer complaint handling rate: **100%** for 3 consecutive years

Customer satisfaction reached **92.21%** in 2022

Social Welfare

The Company has been actively involved in public welfare and fulfilled its social responsibility by participating in public welfare activities such as educational care, activities to help the disabled, medical aid and medical assistance.

Types and Contents of Social Welfare Activities

Educational care	Medical aid	Activities to help the disabled	Medical assistance	Patriotic support for the military
Through the Westlake Education Foundation in Hangzhou, the Company donated RMB10 million to Westlake University to support its development and promote scientific and educational progress and research innovation, mainly for its daily operating expenses on talent development, discipline development, infrastructure construction, student training and academic exchanges	The Company donated RMB1 million to The First Affiliated Hospital, College of Medicine, Zhejiang University for the development of its organ transplantation disciplines and training of high-level talents. In 2022, a total of 42 minors from low-income families with end-stage liver disease, including congenital biliary atresia, received liver transplants	The Company donated RMB100,000 to the Provincial Foundation for Disabled Persons to participate in the Zhejiang Autism Support Public Welfare Activities to care for and help autistic patients by providing them with financial support in rehabilitation education, training and treatment, day care, etc.	The Company donated medical supplies worth RMB83,000, including protective clothing, footwear and face masks, to Xi'an	The Company donated books worth RMB20,000 to the Qingtian troops in Haikou to relieve the soldiers' training pressure and enrich the cultural activities of the PLA officers and soldiers

Dedicated to public welfare by helping farmers through the fund

Caitong Fund invested RMB200,000 in Huzhen, Longyou County, Quzhou City and set up a "Caitong Fund Citrus Variety Improvement Pilot Field" to modernise citrus production, help local residents develop new varieties and enrich fruit farmers, while reflecting Caitong's corporate responsibility to help the people through financial support.

Amounts invested in public welfare during the year were RMB35.8859 million (including amounts invested by invested companies):

Including: RMB19.4829 million for rural revitalization
RMB16.403 million for social welfare

Received 17 awards for public welfare

The Company encourages its employees to participate in voluntary activities while carrying out various forms of public welfare practices. In 2022, 1,069 employees participated in voluntary activities and the total hours of voluntary services by employees amounted to 3,879 hours.

Employees' Rights and Interests

The Company values the protection of employees' rights and interests by promoting the construction of a transformational organisation, optimising the organisational structure, improving the remuneration and incentive policies for employees and continuously improving diversified employment channels, so as to protect the rights and interests of workers. The Company pushed forward the market-oriented reform of selection and employment and made every effort to promote the construction of a high-quality and youthful cadre team. We implemented systematic reshaping of cadre work, strengthened the introduction of high-quality talents, formulated different recruitment plans according to different types of talents, and consolidated the base of talents that fit our strategic development.

Remuneration and Incentives for Employees

Caitong Securities has strictly complied with the laws and regulations such as *the Labor Law of the People's Republic of China* and *the Labor Contract Law of the People's Republic of China*, and has formulated and implemented systems such as *the Rules for the Implementation of Performance Appraisal for Employees* and *the Measures for the Management of Grades of Middle and Back Office Employees in the Head Office (for Trial Implementation)* to establish a comprehensive remuneration and appraisal system.

In 2022, the Company constantly optimised its job grade remuneration management mechanism by scientifically designing the remuneration for employees at each level and determining the employee remuneration curve based on external information and internal strategies while taking into account the current situation of the Company, thereby continuously refining its performance incentive mechanism combining short-term and long-term, guaranteed and motivated incentives.

Oriented towards high performance, the Company has gradually established a scientific and effective employee performance evaluation system



The Company organised regular annual performance appraisals for all employees to assess their value and contribution, so as to stimulate their potential and achieve sustainable value-added human resources



The Company organically integrated employee's personal goals, the Company's overall strategic goals, annual business plans and the construction of corporate culture, and continuously strengthened the feedback on the appraisal results to promote employees' performance improvement, thus forming a virtuous cycle of continuous growth



The Company clarified the appraisal appeal mechanism by which employees who have objections to the fairness and impartiality of the annual appraisal process and the appraisal results may appeal to the Company's organization and human resources department or the discipline inspection and supervision department

Equal Employment

In strict compliance with the requirements of the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Women's Rights and Interests*, and the *Provisions on the Prohibition of Using Child Labor*, the Company signed labor contracts with its employees in accordance with the regulations and ensured the implementation of the terms of the contracts. The Company has formulated the documented system of *Employee Recruitment and Employment Management Measures of Caitong Securities*, pursuant to which we adhered to the recruitment philosophy of equality, openness, inclusiveness and diversity, strictly prohibited the screening and restriction of employees in terms of gender, race and ethnicity, prohibited the employment of child labor and forced or compulsory labor, strictly verified the identity of employees, and regularly monitored and inspected the intensity of employment and the evaluation of the human rights system. Caitong Securities is committed to providing an equal and fair working environment and development platform for its employees and ensuring that all employees enjoy fair work opportunities. In 2022, the Company had 26 veteran employees and 63 minority employees. In 2022, we had 26 veteran employees and 63 ethnic minority employees.

Building external talents bank

- The Company has benchmarked itself against top ranked peers in relevant fields or geographies and established an external talent pool by integrating resources from various platforms
- The Company has conducted research on the recruitment requirements of each unit and forecasted annual recruitment demands based on business scale, industry dynamics and work division, as well as industry benchmarking data and year-on-year manpower ratios. In 2022, a total of 878 people were recruited.

Seeking outstanding graduates

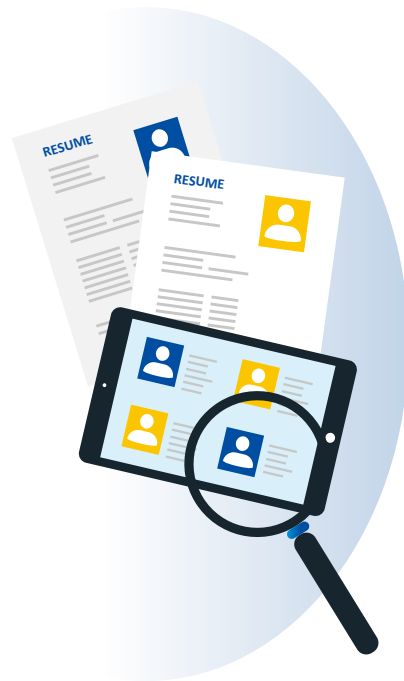
- Recruitment takes place in a combination of internship and autumn school recruitment. During the internship period, the Company assigned a supervisor to the internship students, who is responsible for examining their performance and answering questions during the internship period. In principle, the supervisor of the internship department will be a manager at the junior level or above. In 2022, 168 management trainees were recruited.

Attracting valuable talents

- In 2022, the Company continuously established a regular talent communication mechanism by studying and implementing its demand and introduction plan for high-end talents and actively and directionally attracting or inviting external high-end talents and leading experts to interview with its leaders

Carried out a special talent campaign

- In 2022, the Company launched a special campaign to stabilize employment and protect people's livelihoods, demonstrating its social responsibility as a provincial state-owned enterprise, maintaining a strong demand for labor and providing more jobs for the community.



Positive response and full cooperation

- A total of 181 fresh graduates were recruited during the year, an increase of 34% year-on-year
- A total of 1,035 new employees were recruited during the year, an increase of 14.8% year-on-year
- Promoted employment support for Tibet in an orderly manner and provided employment support to Tibetan college graduates from Nagqu
- Provided employment opportunities for veterans

Sourced talents through various channels

- Closely monitored industry and market changes internally and updated the high-end talent pool in a timely manner
- Expanded the number of headhunter suppliers
- The Company did not take any voluntary redundancy in 2022

Strengthened promotion in campuses

- Organised and participated in a total of 7 online and offline job fairs and seminars throughout the year

Enrolled students through the university-enterprise cooperation

- Carried out the university-enterprise cooperation with Zhejiang University and colleges and schools in Huzhou area and further opened the door to quality students

Drove business development by two wheels

- Carried out online and offline multi-channel trainings to enhance the professional competence of employees

Employee Development

Employee Training

The Company focuses on improving the quantity and quality of professional talents and has increased investment in human resources for investment banking, research institutes, wealth management and other businesses. We also advanced the overall management mechanism on talent cultivation by establishing a four-in-one system of training organization system, training content system, training assignment standard and training execution specification; focused on managing the three modules of "demand management channel, resource allocation mechanism and operational support guarantee"; vigorously advocated the value concept of respecting, gathering and serving talents, reinforced the development of talent echelons, and simultaneously strengthened the training conducted by business experts.

Employees trained in 2022
3,565

Total training hours received by employees in 2022
277,804.89 hours

Average training hours per employee in 2022
74.52 hours

Employee training by category in 2022

Number of junior staff trained: **3,400**
Total training hours received by junior staff: **269,268** hours

Number of middle management trained: **154**
Total training hours received by middle management: **7,880** hours

Number of senior management trained: **11**
Total training hours received by senior management: **656.89** hours

In 2022

The Company held **131** in-house training sessions reaching **97,043** persons

201 lecturers shared their lectures

The Company launched **402** offline courses and sent a total of **301** employees for external trainings

The Company encouraged employees to obtain qualifications in various areas through continuing education

Enhancing the effectiveness of training and empowering employees

In October 2022, the Company organised the fourth training course on "High Performance and Leadership Enhancement" to provide participants with an immersive learning exchange and experience, and to enhance the management capabilities of responsible persons in the face of different situations and different employees, so as to improve team performance. This activity has been organised for 11 related leaders and other cadres in succession, and was implemented in classes and sections, with a total of 265 participants

In November, the Company launched a special teaching plan for the 2022 general recruitment of management trainees, forming a talent teaching profile for management trainees through multiple channels. In this special training program, a total of 96 management trainees were trained and empowered by the Company's leaders or expert teachers to help them grow into a new generation of solid strength in the development process of Caitong.



Scene of the fourth training session of "High Performance and Leadership Enhancement".



Scene of the 46th (Management Trainee) training session of "Gathering Talents".

Career Development of Employees

The Company has established and improved career development paths for its employees and encouraged them to give full play to their expertise and diversify their development. By continuously improving the construction of the talent team and human resources mechanism, the Company has adhered to the idea of multi-channel talent team development, and improved the market-based talent recruitment mechanism, internal cadre selection and appointment mechanism, and talent ladder construction mechanism to ensure a smooth career development path for employees and promote the rapid growth of high-performing employees. The Company has amplified the advantages of digitalisation, promoted the development of thematic courses and the deployment of teaching resources and completed the online course system, so as to help employees develop professionally.

Key Performance Indicators List

Economic Performance

Economic Performance Table

Indicators	Unit	2020	2021	2022
Total assets	RMB100 million	966.59	1,104.25	1,256.92
Operating revenue	RMB100 million	65.28	64.08	48.27
Basic earnings per share	RMB/share	0.63	0.71	0.34

Note: The statistical caliber of economic performance is consistent with the annual report

Social Performance

Customer Service Performance Table

Indicators	Unit	2020	2021	2022
Number of customer enquiries	number of times	251,938	255,236	242,185
Number of human customer service enquiries as a percentage	%	68.70	60.77	59.29
Number of intelligent customer service enquiries as a percentage	%	31.30	39.23	40.71
Number of complaints	number of times	65	41	91
Complaint handling rate	%	100	100	100
Customer satisfaction	%	94.10	93.47	92.21
Number of substantiated complaints on invasion of customer privacy and loss of customer data	number of times	0	0	0

Note 1: The statistics are based on the headquarters of the parent company of Caitong Securities.

Note 2: Customer enquiries can be made through human (telephone access and human online) and intelligent customer service.

Note 3: Proportion of complaints resolved = Number of complaints closed / Total number of complaints

Note 4: With the improvement of the Company's digitalisation and intelligence and the optimisation of business processes, the number of intelligent customer service enquiries has increased year on year.

Recruitment and Employment Performance Table

Indicators		Unit	2020	2021	2022
Employee turnover rate		%	10.85	11.69	14.23
By gender	Male	%	12.20	13.72	16.0
	Female	%	8.56	9.20	12.2
By age	>50 years old	%	14.75	8.44	9.6
	30 to 50 years old	%	9.65	10.86	12.3
	<30 years old	%	12.65	14.61	20.8
By region	Mainland China	%	10.58	11.69	14.2
	Outside mainland China (including Hong Kong, Macau and Taiwan)	%	0.00	0.00	100.00
Total number of new employees		person	530	985	880
By gender	Male	person	339	573	496
	Female	person	191	412	382
By age	>50 years old	person	1	2	2
	30 to 50 years old	person	284	515	457
	<30 years old	person	245	468	419
By region	Mainland China	person	530	985	876
	Outside mainland China (including Hong Kong, Macau and Taiwan)	person	0	0	2

Note 1: The statistics are based on the parent company of Caitong Securities.

Note 2: Turnover rate for each category of employee = Number of employees in that category lost during the year / Number of employees in that category at the end of the year.

Employee Equity Performance Table

Indicators	Unit	2020	2021	2022
Labour contract signing rate	%	100	100	100
Social insurance coverage	%	100	100	100
Number of penalties imposed for violations of employee employment and labor laws and regulations	number of times	0	0	0
Employee medical check-up coverage	%	100	100	100
Number of deaths due to work-related causes	person	0	0	0

Note: The statistics are based on the parent company of Caitong Securities

Employee Composition Performance Table

Indicators		Unit	2020	2021	2022
Total employees		person	2,884	3,464	3,801
By gender	Male	person	1,599	1,909	2,073
	Female	person	1,285	1,555	1,728
By age	>50 years old	person	122	154	177
	30 to 50 years old	person	2,082	2,441	2,690
	<30 years old	person	680	869	934

Note: The statistics from 2020 to 2022 are based on the parent company of Caitong Securities.

Employee Training Performance Table

Indicators		Unit	2020	2021	2022
Number of employees trained		person	2,595	3,117	3,565
Employee training coverage		%	89.98	89.98	93.79
By gender	Male	%	89.99	89.99	92.62
	Female	%	89.96	89.97	95.20
Average training hours per employee		hour	60.26	120.08	74.52
By gender	Male	hour	58.00	121.50	69.30
	Female	hour	62.50	118.50	77.64
Proportion of employees receiving regular performance and career development appraisals		%	100.00	100.00	100.00

Note 1: The total employees are based on the parent company of Caitong Securities.

Note 2: Training coverage for each category of employees = Number of employees trained in that category / Number of employees in that category.

Note 3: Average training hours per employee for each category = Total training hours received by employees in that category / Number of employees in that category. Average training hours per employee are based on the training hours organised by the Company during the reporting period.

Economic Performance Table

Indicators		Unit	2020	2021	2022
Number of times employees attended anti-corruption trainings		number of times	2	2	2
Employee participation in anti-corruption trainings		person-time	150	4,500	5,000
Number of corruption proceedings brought against the Company or its employees and concluded during the reporting period		number of times	0	0	0

Note 1: The statistics are based on the parent company of Caitong Securities.

Note 2: Starting in 2021, the Company launched online and offline trainings on anti-corruption topics covering the entire workforce, resulting in a significant increase in training attendance compared to the previous two years.

Social Contribution Performance Table

Indicators		Unit	2020	2021	2022
Amount invested in charities		RMB10,000	4,493.50	2,411.28	3,588.59
Including: Amount invested in social welfare		RMB10,000	2,565.50	1,372.28	1,640.3
Including: Amount invested in rural revitalisation		RMB10,000	1,928.00	1,039.00	1,948.29

Note: The statistics in 2022 are based on Caitong Securities and its invested subsidiaries.

Employee Voluntary Service Performance Table

Indicators		Unit	2020	2021	2022
Number of employees volunteering		person-time	814	1,266	1,069
Total hours of voluntary services by employees		hour	6,153	4,239	3,879
Average hours of voluntary services per employee		hour	7.56	3.35	3.63

Note 1: The statistics are based on the parent company of Caitong Securities.

Note 2: From 2020 to 2022, the Company organised volunteer services to enhance the branding of public welfare, and carried out a number of activities such as themed days and warmth delivery, resulting in a year-on-year increase in the number of employees volunteering and the total hours of voluntary services by employees.

Environmental Performance

Environmental Performance Table

Indicators	Unit	2020	2021	2022
Total greenhouse gas emissions	tonnes of CO ₂ equivalent	228.4	3,800.71	3,712.67
Scope 1 Greenhouse gas emissions	tonnes of CO ₂ equivalent	4.59	130.88	143.15
Scope 2 Greenhouse gas emissions	tonnes of CO ₂ equivalent	223.81	3,669.83	3,569.52
Greenhouse gas emissions per capita	tonnes of CO ₂ equivalent/person	0.63	2.03	0.98
Greenhouse gas emissions per unit of area	tonnes of CO ₂ equivalent/m ²	0.03	0.09	0.11
Total natural gas consumption	m ³	—	33,021.00	44,847.8
Natural gas consumption per capita	m ³ /person	—	22.59	11.80
Natural gas consumption per unit area	m ³ /m ²	—	0.97	1.34
Gasoline consumption by owned vehicles	litre	1,696.00	21,934.00	20,795.00
Total electricity consumption	MWh	408.95	6,057.28	6,259.02
Electricity consumption per capita	MWh/person	1.12	3.23	1.65
Electricity consumption per unit area	MWh/m ²	0.05	0.14	0.19
Total water consumption	m ³	3,499.71	32,552.82	30,288
Water consumption per capita	m ³ /person	9.59	17.36	7.97
Water consumption per unit area	m ³ /m ²	0.41	0.75	0.90
Amount of electronic waste	piece	1,254	206	972
Headquarters data centre PUE (owned)	/	1.52	1.63	1.57
Binjiang disaster recovery data centre PUE (owned)	/	1.44	1.45	1.56

Environmental Performance Table

Indicators	Unit	2020	2021	2022
Headquarters data centre energy consumption (self-owned)	MWh	2,983.62	3,680.04	3,941.387
Binjiang disaster recovery data centre energy consumption (self-owned)	MWh	2,393.11	2,262.35	2,022.528

Note 1: In 2021 and 2022, the statistics of greenhouse gas emissions, gasoline consumption by owned vehicles, natural gas consumption, electricity consumption and water consumption are based on the headquarters of Caitong Securities in Hangzhou, the Shanghai headquarters of Caitong Securities Asset Management, the headquarters of Caitong Capital, the headquarters of Caitong Innovation and the headquarters of Caitong Hong Kong, and the statistics of these indicators in 2020 do not include the headquarters of Caitong Securities in Hangzhou; the statistics of amount of electronic waste and data centre-related indicators for three years are based on the headquarters of Caitong Securities in Hangzhou.

Note 2: Scope 1 Greenhouse gas emissions include direct greenhouse gas emissions from the combustion of gasoline and natural gas in own vehicles; Scope 2 Greenhouse gas emissions are indirect greenhouse gas emissions from purchased electricity. The emission factors in 2020 for Mainland China refer to the 2015 national grid average emission factors in the Supplementary Data Sheet of 2019 GHG Emission Report issued by the Ministry of Ecology and Environment, and the emission factors for the Hong Kong region refer to the greenhouse gas emission factors for electricity operating in Hong Kong in HKE's Appendix II: Reporting Guidance on Environmental Key Performance Indicators, updated on 28 May 2021; the emission factors for Mainland China in 2022 are updated to the greenhouse gas grid emission factors for 2022 in the Ministry of Ecology and Environment's Methodology and Reporting Guidelines for Corporate Greenhouse Gas Emissions for Electricity Generating Facilities (Revised Edition 2022).

Note 3: From 2020 to 2022, there was no natural gas consumption in the Shanghai headquarters of Caitong Securities Asset Management, the headquarters of Caitong Capital, the headquarters of Caitong Innovation and the headquarters of Caitong Hong Kong.

Note 4: Electronic waste includes used server equipment, network equipment, security equipment, desktop computers, printers and other used electronic equipment in the data centre. As the headquarters of Caitong Securities in Hangzhou was relocated to a new building in 2021 and more waste was disposed of in 2020, the trend of electronic waste in the past three years is up and then down.

GRI Index

Information cited by Caitong Securities in this GRI Content Index for the period 1 January 2022 to 31 December 2022 by reference to the GRI Standards.

GRI Standards	Disclosures	Location
GRI 2: General Disclosures 2021	2-1 Organizational details	Company Profile
	2-2 Entities included in the organization's sustainability reporting	Reporting Scope
	2-3 Reporting period, frequency and contact point	Period of time, Access to the Report
	2-4 Restatements of information	Reliability Assurance
	2-5 External assurance	/
	2-6 Activities, value chain and other business relationships	Column: Channeling Financial Resources into the Real Economy
	2-7 Employees	Column: Fostering a "Family Culture" in Workplace
	2-8 Workers who are not employees	/
	2-9 Governance structure and composition	Organizational Structure
	2-10 Nomination and selection of the highest governance body	Corporate Governance
	2-11 Chair of the highest governance body	Compliant Operation
	2-12 Role of the highest governance body in overseeing the management of impacts	Column: Building "Grand Supervision Network"
	2-13 Delegation of responsibility for managing impacts	ESG Management System
	2-14 Role of the highest governance body in sustainability reporting	ESG Management
	2-15 Conflicts of interest	Risk Management Measures
	2-16 Communication of critical concerns	Stakeholder Engagement
	2-17 Collective knowledge of the highest governance body	Board Statement

GRI Standards	Disclosures	Location
GRI 2: General Disclosures 2021	2-18 Evaluation of the performance of the highest governance body	Performance Highlights
	2-19 Remuneration policies	Remuneration and Incentives for Employees
	2-20 Process to determine remuneration	Remuneration and Incentives for Employees
	2-21 Annual total compensation ratio	/
	2-22 Statement on sustainable development strategy	Board Statement
	2-23 Policy commitments	Board Statement
	2-24 Embedding policy commitments	/
	2-25 Processes to remediate negative impacts	/
	2-26 Mechanisms for seeking advice and raising concerns	ESG Management System
	2-27 Compliance with laws and regulations	Business Ethics
GRI 3: Material Topics 2021	2-28 Membership associations	Annual Honors
	2-29 Approach to stakeholder engagement	Stakeholder Engagement
	2-30 Collective bargaining agreements	/
GRI 201: Economic Performance 2016	3-1 Process to determine material topics	Stakeholder Engagement and Materiality Assessment
	3-2 List of material topics	Materiality Matrix
	3-3 Management of material topics	Materiality Assessment Flow
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Economic Performance Table
	201-2 Financial implications and other risks and opportunities due to climate change	/
	201-3 Defined benefit plan obligations and other retirement plans	Employee Benefits
	201-4 Financial assistance received from government	/

GRI Standards	Disclosures	Location
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	/
	202-2 Proportion of senior management hired from the local community	/
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Column: Promoting Common Prosperity Through Innovative Services
	203-2 Significant indirect economic impacts	Column: Channeling Financial Resources into the Real Economy
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	/
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Anti-corruption
	205-2 Communication and training about anti-corruption policies and procedures	Anti-corruption, Economic Performance Table
	205-3 Confirmed incidents of corruption and actions taken	/
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	/
GRI 207: Tax 2019	207-1 Approach to tax	Refer to the Annual Report
	207-2 Tax governance, control, and risk management	Refer to the Annual Report, Risk Management
	207-3 Stakeholder engagement and management of concerns related to tax	Refer to the Annual Report
	207-4 Country-by-country reporting	/
GRI 301: Materials 2016	301-1 Materials used by weight or volume	/
	301-2 Recycled input materials used	Green and Low-carbon Operation
	301-3 Reclaimed products and their packaging materials	/
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Environmental Performance Table
	302-2 Energy consumption outside of the organization	Environmental Performance Table
	302-3 Energy intensity	Environmental Performance Table
	302-4 Reduction of energy consumption	Green and Low-carbon Operation
	302-5 Reductions in energy requirements of products and services	/

GRI Standards	Disclosures	Location
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	/
	303-2 Management of water discharge-related impacts	/
	303-3 Water withdrawal	Environmental Performance Table
	303-4 Water discharge	/
	303-5 Water consumption	Environmental Performance Table
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	/
	304-2 Significant impacts of activities, products and services on biodiversity	/
	304-3 Habitats protected or restored	/
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	/
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Environmental Performance Table
	305-2 Energy indirect (Scope 2) GHG emissions	Environmental Performance Table
	305-3 Other indirect (Scope 3) GHG emissions	Environmental Performance Table
	305-4 GHG emissions intensity	/
	305-5 Reduction of GHG emissions	/
	305-6 Emissions of ozone-depleting substances (ODS)	/
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	/
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	/
	306-2 Management of significant waste-related impacts	/
	306-3 Waste generated	Environmental Performance Table
	306-4 Waste diverted from disposal	Environmental Performance Table
	306-5 Waste directed to disposal	Environmental Performance Table

GRI Standards	Disclosures	Location
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	/
	308-2 Negative environmental impacts in the supply chain and actions taken	/
GRI 401: Employment 2016	401-1 New employee hires and employee turnover employees	Recruitment and Employment Performance Table
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time	Employee Benefits
	401-3 Parental leave	Employee Benefits
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	/
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Employees' Rights and Interests
	403-2 Hazard identification, risk assessment, and incident investigation	/
	403-3 Occupational health services	Occupational Safety and Health
	403-4 Worker participation, consultation, and communication on occupational health and safety	Non-remuneration Benefits System
	403-5 Worker training on occupational health and safety	Occupational Safety and Health
	403-6 Promotion of worker health	Non-remuneration Benefits System
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Non-remuneration Benefits System
	403-8 Workers covered by an occupational health and safety management system	Non-remuneration Benefits System
	403-9 Work-related injuries	/
	403-10 Work-related ill health	/
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Employee Training Performance Table
	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Training
	404-3 Percentage of employees receiving regular performance and career development reviews	Employee Training Performance Table
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Corporate Governance, Equal Employment
	405-2 Ratio of basic salary and remuneration of women to men	/
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	/

GRI Standards	Disclosures	Location
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	/
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	/
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	/
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	/
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	/
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Column: Promoting Common Prosperity Through Innovative Services
	413-2 Operations with significant actual and potential negative impacts on local communities	/
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Stakeholder Engagement and Materiality Assessment
	414-2 Negative social impacts in the supply chain and actions taken	/
GRI 415: Public Policy 2016	415-1 Political contributions	/
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Customer Services
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	/
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Customer Services
	417-2 Incidents of non-compliance concerning product and service information and labeling	/
	417-3 Incidents of non-compliance concerning marketing communications	/
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	/