

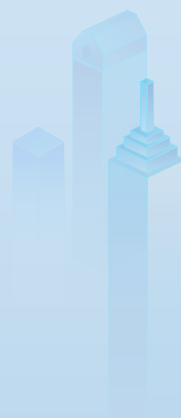
2021

GUOYUAN SECURITIES ENVIRONMENTAL SOCIAL AND GOVERNANCE REPORT





国元证券股份有限公司
GUOYUAN SECURITIES CO., LTD.



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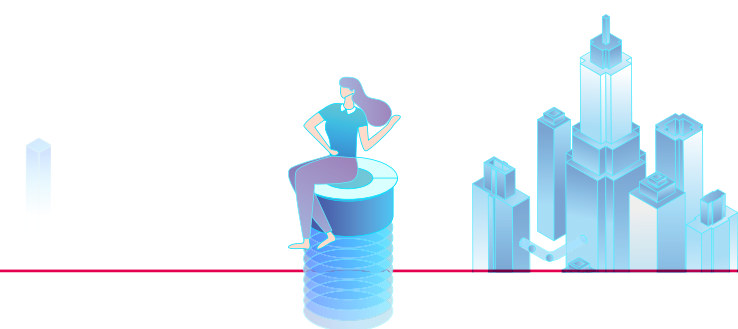
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About this report

2021 Environmental, Social and Governance Report of Guoyuan Securities Co., Ltd. (hereinafter referred to as the "ESG Report" and "this report") is a report issued by Guoyuan Securities Co., Ltd.The ESG Report (Corporate Social Responsibility Report) disclosed by the Company Limited (hereinafter referred to as “we” or the “Company”) for 14 consecutive years, the purpose of which is to present to various stakeholders the environmental, social and governance-related management methods and performance of Guoyuan Securities Co., Ltd., branches, business departments and subsidiaries in 2021.

Scope of report

Reporting time frame: The time frame of this Report is from 01/01/2021 to 12/31/2021. The report covers partial disclosure of data for previous years and 2022.

Geographical scope of the report: The environmental, social and governance data disclosed in this Report covers Guoyuan Securities Co., Ltd. and its wholly-owned and controlled subsidiaries, as listed below:

Company name	Address
Guoyuan Securities Co., Ltd.("Guoyuan Securities")	No.18 Meishan Road, Hefei City, Anhui Province, China
Guoyuan International Holdings Limited ("Guoyuan International")	17/F,Three Exchange Square, 8 Connaught Place, Central, Hong Kong, China
Guoyuan Equity Investment Co., Ltd. ("Guoyuan Equity")	Area B, 3F, No.1, Lane 1199 of Minsheng Road, China (Shanghai) Pilot Free Trade Zone
Guoyuan Innovation Investment Co., Ltd. ("Guoyuan Innovation")	Room 310, 3/F, Baohe District Organ Logistics Service Center, No.118 Baohe Avenue, Baohe District, Hefei City, Anhui Province, China
Guoyuan Futures Co., Ltd. ("Guoyuan Futures")	Room 1901, 19/F, Building 1, No. 46 Dongzhimenwai Street, Dongcheng District, Beijing, China

Unless otherwise specified, this Report covers the overall data of the headquarters, branches, business departments of Guoyuan Securities Co., Ltd. and the subsidiaries and holding companies listed above, and some data that fail to cover the overall scope will be indicated and specified in the main body of this Report. Changsheng Fund Management Co., Ltd., Anhui Anyuan Investment Fund Co., Ltd. and Anhui Equity Service Group Co., Ltd. are only associated enterprises of Guoyuan Securities and are not included in the consolidated statements, therefore they are not included in the disclosure of this Report.

In 2021, Anhui Guoyuan Property Management Co., Ltd. has been divested from Guoyuan Securities and therefore is not included in the scope of this Report.

Report release cycle

CSR Report is published on an annual basis, in line with the publication cycle of company financial annual report.

Data sources

The financial data in this Report are quoted from the 2021 Annual Report of Guoyuan Securities Co., Ltd. If there is any discrepancy between the financial data disclosed in this Report and those in the annual report, the latter shall prevail. Other data and cases are provided by the functions, branches, business departments and subsidiaries of the Company. The amounts shown in this report are presented in RMB unless otherwise stated.

This Report was deliberated and approved by the 20th Session of the 9th Board of Directors of Guoyuan Securities held on March 25, 2022. The Board of Directors and all directors of the Company warrant that this Report contains no false statements, misleading presentation or material omissions. Guoyuan Securities is responsible for the truthfulness, accuracy and completeness of the report contents.

Preparation basis of this Report

- This Report is based on the Sustainability Reporting Standards "Core option" of the Global Reporting Initiative (GRI);
- Also based on the Sustainability Accounting Standards for the Investment Banking and Brokerage Industry (SASB Standards) issued by the Sustainability Accounting Standards Board (SASB);
- Based on the recommended report of Task Force on Climate-related Financial Disclosures (TCFD);
- Based on the preparation requirements in the "Guidelines No. 2 on the Content and Format of Information Disclosure by Companies that Issue Public Securities – Content and Format of Annual Reports (Revised in 2021)" of "Guidelines on the Content and Format of Annual Reports of Securities Companies" issued by the China Securities Regulatory Commission;
- According to the "Shenzhen Stock Exchange Listed Companies Self-discipline Supervision Guide No. 1 – Business Handling" and other relevant regulations.

Also with reference to the United Nations Sustainable Development Goals (UN SDGs 2030) and the Ten Principles of the United Nations Global Compact, please refer to the index table in the appendix for specific contents.

External authentication

The report has been verified "Limited Assurance" opinions by TÜV SÜD Certification and testing (China) Co., Ltd. Shanghai Branch, an independent third party, with verification report attached.

Release of report

This Report is published in both printed version and online electronic version in simplified Chinese.
The printed version of this Report is available at: Office of the Board of Directors of Guoyuan Securities, No. 18 Meishan Road, Hefei City, Anhui Province, China.

For electronic version of this Report, please visit:
Guoyuan Securities website: <http://www.gyzq.com.cn>
CNINFO: <http://www.cninfo.com.cn>

Contact

To obtain a printed copy of the report, or if you have any comments or suggestions on it, please contact:

Guoyuan Securities Co., Ltd.
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Fax: 0551-62207322
Email: dshbgs@gyzq.com.cn

Chairman's Statement



Chairman, Guoyuan Securities Co., Ltd.
Yu Shixin

A stylized black ink signature of Yu Shixin.

The year 2021 is the 100th anniversary of the founding of the Communist Party of China, the opening year of the 14th Five-Year Plan, the year of the comprehensive deepening reform of China's capital market, and the 20th anniversary of the establishment of Guoyuan Securities.

This year, in the face of a century of changes and the epidemic of the century, we seized the opportunity to seek development, optimize the layout and promote transformation, deepen reform and enhance capacity, and strictly control risks to stabilize operations, achieving a record high of 6.08 billion yuan in revenue and the third highest net profit in history of 1.87 billion yuan, delivering an excellent answer sheet and achieving a good start of the 14th Five-Year Plan. The company made a good start to the 14th Five-Year Plan.

In this year, we formulated the "14th Five-Year Plan" and clearly put forward the development objectives of the company for the next five years, striving to rank the company in the top 20 in the industry in terms of comprehensive capability and major management indicators by the end of the "14th Five-Year Plan".

This year, we take capacity enhancement as the guide, and use capacity enhancement to crack development problems and win development initiatives. Throughout the year, we sponsored 13 listed enterprises in the province, accounting for 59% of the new listed enterprises; the first batch of 5 enterprises were listed on the North China Stock Exchange, ranking 4th in the industry; we recommended 210 enterprises to be listed on the provincial stock exchange, ranking 1st in the industry with a total of more than 2,300 listings.

During the year, we continued to promote the "wealth management and investment and financing" two-wheel drive, promoting the further enhancement of earnings growth momentum and a more optimized revenue structure. The revenue from brokerage dual financing and bond business rose steadily, and the revenue from investment banking and OTC business grew rapidly.

This year, we adhere to the system planning, the overall promotion, and continue to increase the selection and employment, incentives and constraints and other key areas of reform, the important bottlenecks that limit the development of the problem has been effectively resolved, the development of vitality more visible.

During the year, we took the initiative to adapt to the general trend of innovation and creation, optimize the service structure, improved service efficiency with close focus on the total demand of financial services for investors and financiers, made great effort to smooth the high-level cycle of capital, science and technology and real economy, and constantly improved its ability to serve the real economy and residents' wealth growth.

We hold that any company that can succeed in the long term incorporates environmental, social and governance (ESG) into their operations and business decisions. It is vital for us to integrate economic, social and environmental factors into our business. We integrate the United Nations Sustainable Development Goals (SDGs) with our business, and adjust our investment and financing strategies in line with the global consensus on climate change, and finally strive to create greater value for stakeholders from all walks of life.

We defined the corporate sustainable development strategy in 2020, and we identified in 2021 the areas where we may have a greater impact, including anti-corruption, talent development, responsible investment, financial environmental impact and other areas, based on the impact of the corporate business operations on stakeholders and the corporate vision, and on top of that, we established the corporate long -, medium - and short-term goals of ESG.

In terms of corporate governance, risk management lies as the top priority of the company, especially anti-corruption is the core issue of risk management. We strive to achieve a clean and transparent ecological partnership by encouraging employees and suppliers to enter into honesty agreements and anti-corruption policies of suppliers. We adopt international risk management concepts to build the comprehensive risk management culture participated in by all employees. The emergence of COVID-19 has made us re-examine and re-evaluate the risks and opportunities brought by uncertainties in our business operations. How to effectively manage major risks and opportunities is a topic that the board of directors attach great importance thereto.

In response to climate change, we actively follow the national strategy of aiming to reach a carbon peak by 2030 and achieving carbon neutrality by 2060, striving to adjust the capital flow directions. Through our business in sustainable financing and investment as well as the corporate influence, we invest in priority in green enterprises of new energy and technological innovation to help limit global warming within 1.5°C.

In terms of financial talent management, we encourage our employees to continue to learn, make breakthroughs and fully realize their value. We provide an equal, diverse and inclusive working environment for all employees. We encourage more women to be leaders and create more conditions for women employees to balance their work and life. We recognize the work achievements made by all employees and provide employees with sufficient resources for their duties to fill all employees with the sense of identity, pride and accomplishment

In an effort to avoid negative impacts of our activities, products and services on people and the environment, we integrate ESG factors into all of our businesses, assign ESG talents in each of our business. With focus on development of more sustainable products and continuous integration of sustainability risks into our processes and work style, Guoyuan Securities is making every endeavor to contribute to building a healthy and sustainable financial market order.

After working hard for two decades, we forge ahead and set out again. Faced with the new mission of capital market reform, the new environment of registration system, the new trend of comprehensive opening-up and technology application, we have developed our strategies for the "14th Five-year Plan" period. The new generation of Guoyuan Securities people will pack and start again for a new brilliant future with such blueprint drawing

Illustrating 2021 with data

Robust Operations

The Company achieved stable business income of
6.110 billion yuan

gross profit of
2.441 billion yuan

and paid taxes in total of
0.758 billion yuan

Net profit attributable to shareholders of listed companies of
1.909 billion yuan

IT investment of
0.22 billion yuan

Green and Low Carbon

In 2021, join the United Nations Responsible Investment(PRI) as a supporting organization of TCFD Supporting Organization

Year-over-year increase in paper savings
101.9 %

7 green bonds, total amount
0.62 billion yuan

Joint Development

Customer satisfaction reached
96.64 %

100 %
of employees are included in the performance appraisal mechanism

0
deaths from safety accidents

Employee engagement of the Company averages
4.25 points

More than
10000
investor education activities

The number of audience reached
10 billion people

Investor education of
8 million yuan

ESG strategy, commitment and performance

Overall strategy

A first-class comprehensive modern investment bank shall be built that grows together with its clients, and achieve sustainable development in big size and with high quality.

ESG governance philosophy

Create value for shareholders, serve customers sincerely, develop together with employees, and prosper together with society.

ESG strategy

Promote the concept of sustainable development, and actively undertake social responsibility, protect the interests of the shareholders at the same time, safeguard the legal rights and interests of employees, customers, creditors and other stakeholders in the pursuit of economic efficiency, enthusiastically engaged in environmental protection and emergency rescue and relief and public welfare undertakings, and support local economy construction, promote the harmonious and coordinated development of Company and the whole society.

Governance strategy

Through the implementation of responsible investment and the establishment of a comprehensive risk management system within the Group, we will build a bottom-up ESG culture that is participated by all employees.

Talent strategy

By fostering a fair, equitable, diverse and inclusive work environment, we empower employees, especially female employees, and build a professional team with an international perspective, create more opportunities, achievements for the decent work of employees.

Climate strategy

We actively carry out climate risk analysis, use our influence to promote greenhouse gas emission reduction in financial activities, actively respond to climate change, and strive to protect natural resources and the ecological environment.

Strategic objective

- ▶ Appraisal and evaluation of directors and supervisors are linked to ESG.
- ▶ All business locations are covered in the business ethics audits every 3 years.
- ▶ All investment targets are assessed on ESG.

Core objectives



Strategic objective

- ▶ Female employees are retained at a percentage of around 40%.
- ▶ Female employee empowerment shall be strengthened and around 20% of female employees shall be retained as leaders.
- ▶ The construction of a responsible investment talent team shall be intensified to create an ESG team consisting of 15 analysts by 2025.
- ▶ Turnover rate shall be lower than the industry average.

Core objectives



Strategic objective

- ▶ Greenhouse gas emission per capita shall be reduced by 5% per year.
- ▶ Achieve carbon neutrality in its own operations by 2040.
- ▶ Education and training on response to climate change shall be given to employees yearly at free.

Core objectives



Learn about Guoyuan Securities

Founded in October 2001 and headquartered in Anhui Province, Guoyuan Securities Co., Ltd. is a comprehensive securities company jointly initiated and established by former Anhui International Investment and Anhui Trust as the main sponsors and 12 other legal entities as the co-sponsors. Guoyuan Securities was successfully listed in Shenzhen Stock Exchange in October 2007 (stock code: 000728) and is the fifth listed broker in China and the first listed company of finance in Anhui Province. It currently has a registered capital of 4,363.777891 million yuan.

Guoyuan Securities is qualified as a comprehensive securities company for multiple securities businesses including retail brokerage, investment banking, wealth management, investment and financing, OTC market and others. Its holding and participating companies are engaged in publicly offered funds, privately offered funds, futures, international business, direct investment, alternative investment, regional equity market and other fields.

Guoyuan Securities currently wholly holds Guoyuan International Holdings Co., Ltd., Guoyuan Equity Investment Co., Ltd., Guoyuan Innovation Investment Co., Ltd., and holds and participates in many companies mainly including Guoyuan Futures Co., Ltd., Changsheng Fund Management Co., Ltd., Anhui Anyuan Investment Fund Co., Ltd., Anhui Equity Service Group Co., Ltd., forming a comprehensive financial service platform with a complete set of licenses and certificates and diversified businesses.

Guoyuan Securities places emphasis on the layout and optimization of its business outlets and continues its geographic expansion for a broader marketing channels. Guoyuan Securities set up 36 branches and 109 securities business departments in total in Beijing, Shanghai, Shenzhen, Chongqing, Shandong, Jiangsu, Zhejiang, Hubei and Henan provinces during the reporting period.

Since its inception, Guoyuan Securities has always adhered to its enterprise spirit of "unity, dedication, truth-seeking, innovation" and its business philosophy of "integrity first, standardized operation, customer paramount, quality and efficiency", put forward the strategic vision of "building a first-class modern investment bank", shouldered the responsibility and mission of "creating a better life for you", defined its business slogan of "getting established in the market on the basis of good faith, creating value through services". It is also widely recognized by all walks of life and even by the international community during its stable and sound development. The corporate stocks have been included in CSI 300, Shenzhen Component Index, MSCI China, FTSE Russell, S&P Dow Jones and other important domestic and foreign component indexes; it has obtained Class A rating in category evaluation on securities companies for 11 times, the highest rating of serving local real economy development granted by Anhui Provincial People's Government for 11 consecutive years, and Class A of information disclosure rated by the Shenzhen Stock Exchange for 14 consecutive years.

Company name	Guoyuan Securities Co., Ltd.
Business address	No. 18 Meishan Road, Hefei City, Anhui Province
Date of establishment	October 2001
Property of ownership	Joint stock company of limited liabilities (listed, state-controlled)
Products	Securities brokerage; securities investment consulting; financial advisory related to securities trading and securities investment activities; securities underwriting and sponsorship; securities trading with self-owned capital; securities asset management; distribution of securities investment funds; securities margin trading; intermediary business for futures companies; distribution of financial products; concurrent insurance agency; custody of securities investment funds, etc.
Major changes	None

Guoyuan honors and certificates

Award winners	Time	Honorary title	Awarder
Guoyuan Securities Co., Ltd.	January 2021	Outstanding performance unit in preventing and combating illegal activities in 2020	Anhui Securities Regulatory Bureau
Guoyuan Securities (Wang Zhigang and other employees)	January 2021	Individuals with outstanding performance in preventing and combating illegal activities in 2020	Anhui Securities Regulatory Bureau
Guoyuan Securities Co., Ltd.	January 2021	The 4th China Excellence IR Best Disclosure Award	Performance in, Excellence IR
Guoyuan Securities Co., Ltd.	January 2021	Excellence in Financial Technology Innovation Award	Hexun.com
Guoyuan Securities Co., Ltd.	January 2021	Outstanding APP Award for Brokerage Firm	
Guoyuan Securities Co., Ltd.	January 2021	Best Operation Team Award	Sina Finance
Guoyuan Securities Co., Ltd.	January 2021	Best Investment Advisory Service App	
Guoyuan Securities Co., Ltd.	February 2021	Outstanding Innovative Business Promotion Organization of 2020	Shanghai Clearing House
Guoyuan Securities Co., Ltd.	May 2021	Anhui Province Securities and Futures Investor Education Base Assessment "Excellent" in 2020-2021	Anhui Securities Regulatory Bureau
Guoyuan Securities Co., Ltd.	May 2021	Most Respected Growth Investment Bank by Public Companies	Securities Times
Guoyuan Securities (Vice President Liao Shengzhu)	May 2021	Most Respected Investment Banking Leaders by Public Companies	Securities Times
Guoyuan Securities Co., Ltd.	July 2021	Culture Building Practice Assessment Class A Rating	China Securities Association
Guoyuan Securities Co., Ltd.	July 2021	Information Disclosure Class A	Shenzhen Stock Exchange
Guoyuan Securities Co., Ltd.	July 2021	ESG Rating AA	 WIND
Guoyuan Securities Co., Ltd.	September 2021	China Listed Company Social Responsibility Award	Securities Times
Guoyuan Securities Co., Ltd.	December 2021	China Top 100 Enterprise Award	Organizing Committee of China Top 100 Listed Companies Summit, Walden Institute of Economic Research
Guoyuan Securities Co., Ltd.	December 2021	Outstanding Brokerage Brand of the Year	Hexun.com
Guoyuan Securities Co., Ltd.	December 2021	Socially Responsible Financial Institution of the Year	
Guoyuan Securities Co., Ltd.	December 2021	China Top 100 Outstanding Directors Award	Organizing Committee of China Top 100 Listed Companies Summit, Walden Institute of Economic Research
Guoyuan Securities (Operation Headquarters Counter Center Team)	December 2021	Group Third Prize of Comprehensive Securities and Futures Business Competition	Anhui Finance Union
Guoyuan Securities (Compliance and Legal Department Team)	December 2021	The second prize of the group of comprehensive business competition of securities and futures	Anhui Finance Union
Guoyuan Securities (research topic "Research on the governance of reputation risk in the construction of culture in the securities industry")	January 2022	2021 Second Prize of National Financial System Ideological and Political Work and Cultural Construction Research Activities	China Association for the Study of Financial Ideological and Political Work

Corporate governance

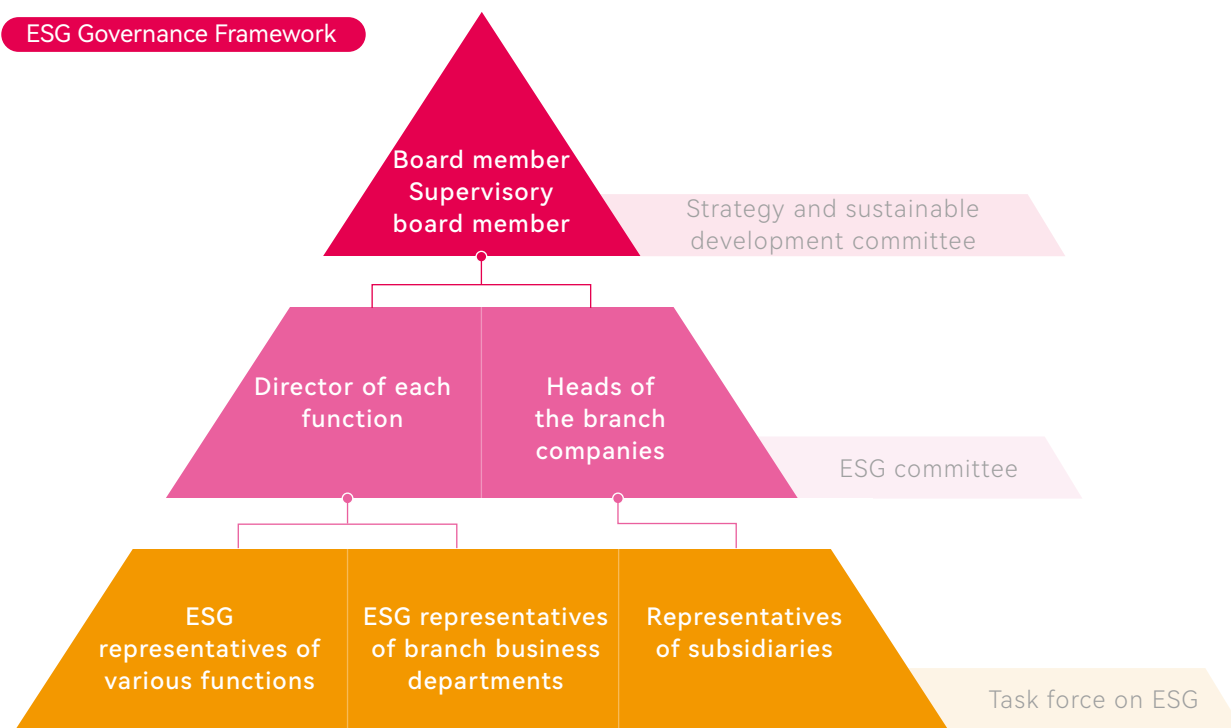


Corporate governance

By constantly perfecting its corporate governance system and actively promoting ESG, Guoyuan Securities created ESG ecological management system with its own characteristics, further improved its risk control system to safeguard the rights and interests of the Company, directors, supervisors and other senior and key officers and to promote the related responsible persons to fully exercise their rights and perform their duties. We purchased liability insurance for directors, supervisors and other executives so as to create the sound external environment for the steady development of the Company. The Company revised 7 regulations including the Articles of Association, and formulated 3 new regulations including the Performance Assessment and Salary Management System for Directors, Supervisors and Senior Officers of the Company, and Detailed Working Rules for the Secretary of the Board of Directors of the Company, laying an institutional foundation for corporate governance. Independent directors were organized for research in Shanghai Branch, business departments in Shanghai and Xinjiang Branch.

We continued to strengthen the capacity building of the corporate governance team and organized the corporate leaders and relevant departments for special study. It also conducted self-inspection on the corporate governance on a regular basis, covering shareholder supervision, compensation incentive mechanism, internal control compliance, investor protection and other aspects, and prepared self-inspection work report;

ESG Governance Framework

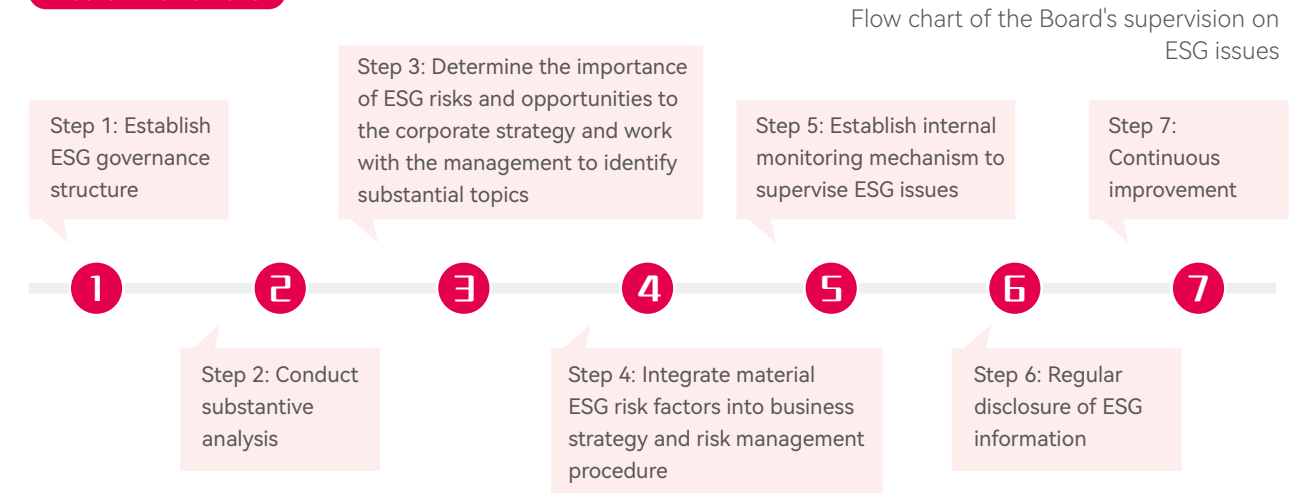


The Board of Directors and the Board of Supervisors are responsible for supervising and making decisions on major ESG issues, the ESG Committee is responsible for overall management of all major ESG issues, while the ESG Working Group is responsible for implementing specific ESG management measures.

Within the reporting period, there were 13 board members in total, including 11 males and 2 females, with female directors accounting for 15.38% of all. Among them, there were 5 independent directors. The company had 29 directors, supervisors and executives, among which 25 were male and 4 were female, with female accounting for 9% of all. The Company attached great importance to the balance and diversity of the backgrounds of its board members. Among the board members, 6 have securities industrial background, 6 have experience in risk management, 9 are financial management experts and 3 are legal experts.

The Company made a public commitment in 2022 for the first time to incorporate ESG factors into its evaluation system for directors, supervisors and executives.

Board involvement

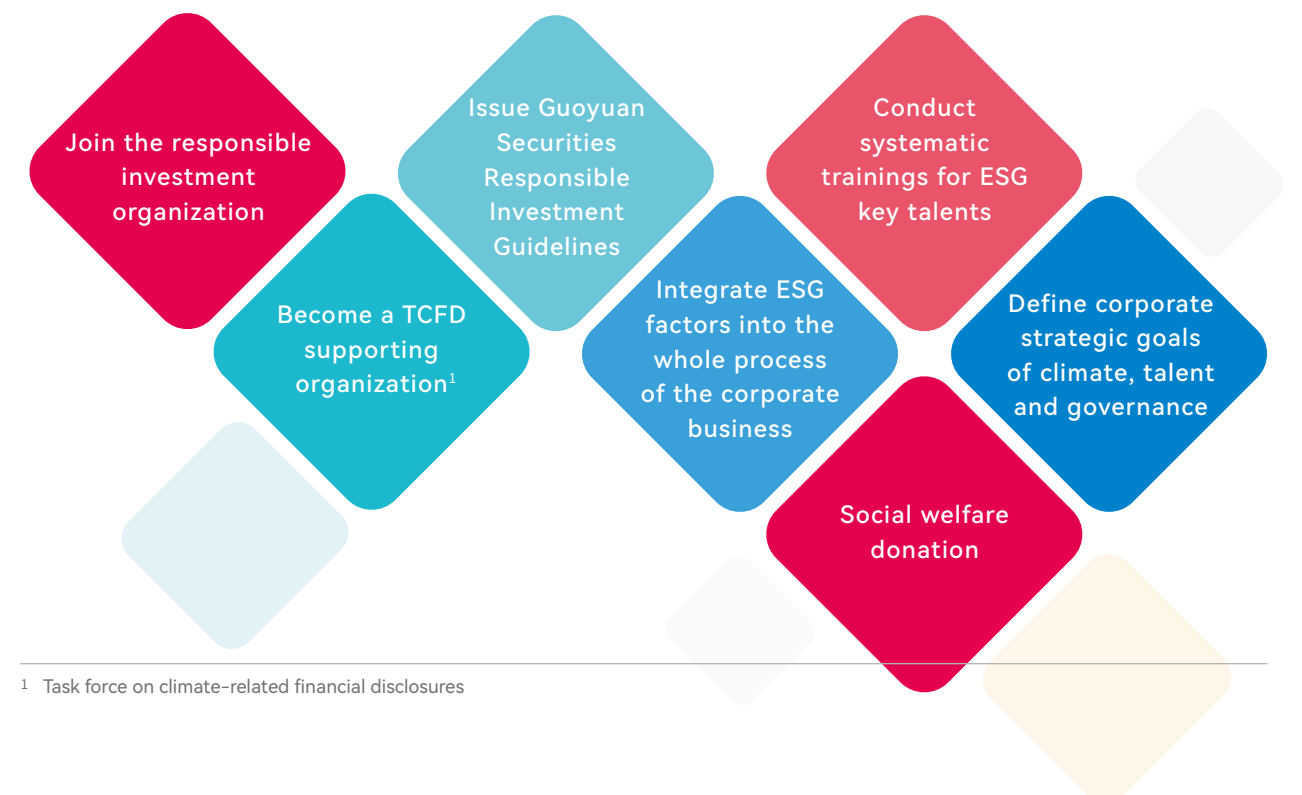


Flow chart of the Board's supervision on
ESG issues

During the reporting period, a total of **27** general meetings of shareholders, Board of Directors, Board of Supervisors and special committees of the Board of Directors were organized and held, at which **158** proposals were reviewed. As of the public release of the Report, the Board of Directors and the ESG Committee participated in decision-making on the following significant ESG events:

The Company attaches importance to the protection of shareholders' and creditors' rights and interests. The resolutions of the shareholders' meeting and the annual report explain the protection of the rights and interests of small and medium-sized shareholders, including the standardization of the procedures for holding the shareholders' meeting, network voting, the existence of selective information disclosure, profit distribution and the management of investor relations.

Signatory of:

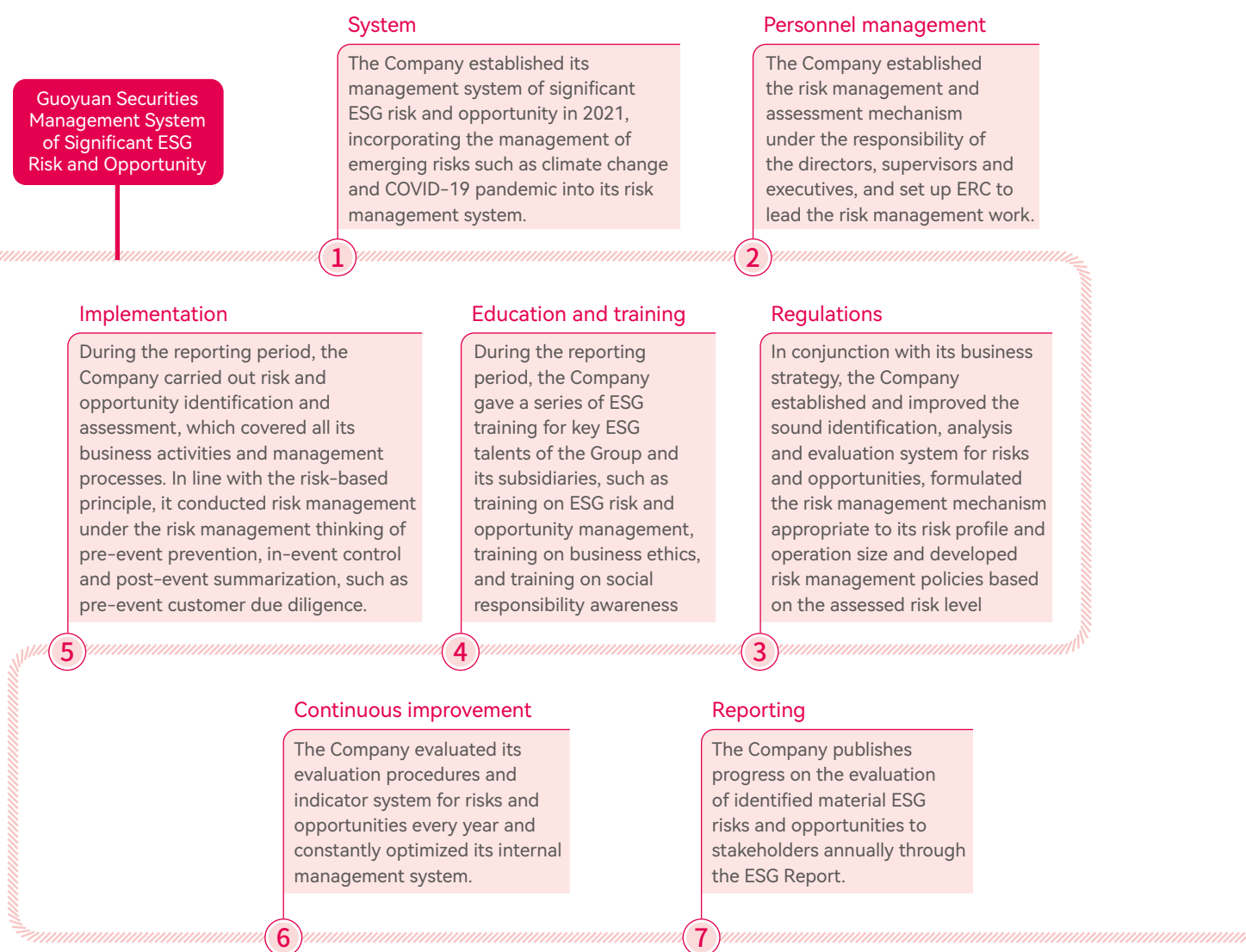


¹ Task force on climate-related financial disclosures

Risk and opportunity management

Risk management approach

Always adhering to the concept of "compliance with laws and prudent operation", complying with the requirements of the Securities Law of the People's Republic of China, the Revision to the Criminal Law (XI), and the Guidelines on Internal Control of Investment Banking Business of Securities Companies and other laws, regulations and regulatory provisions related to investment banking business, we revised the Risk Preference Framework and Policy of Guoyuan Securities, Centralized Risk Monitoring of Securities Margin Trading Business, and Risk Management Measures on Stock-Pledging Repurchase Transaction Business and other regulations and formulated Guoyuan Securities Risk and Opportunity Identification, Analysis and Evaluation Procedure of ESG during the reporting period to continuously improve the corporate risk management system.



In identifying the major ESG risks and opportunities in 2021, we considered the risks and opportunities arising from the climate change, talent retention, market conversion, COVID-19 pandemic and other factors. The Board of Directors deemed climate change, talent retention, anti-corruption, market environment and the business operation risk as the major risks that have greater impact on the corporate achievement of its strategies, and the Company developed systematic risk mitigation measures to reduce risk exposure. The economic growth and development opportunities brought by the opening of the Beijing Stock Exchange and derivatives business are the opportunities that have greater impact on the corporate achievement of its strategies.

Risk management measures

Climate change risk	Carry out responsible investment, develop climate credit policies, and strengthen climate finance
	Develop climate strategy and carbon neutrality targets, call on all employees to save energy and reduce emissions
	Improve the physical risk identification and develop related emergency measures
	Increase relevant drills and knowledge training
Talent retention risk	Support disaster relief and reconstruction in the community and surrounding areas
	Develop talent development strategy and put it in implementation
	Transform human resource structure
	Strengthen university-enterprise cooperation
Fighting against corruption	Improve talent promotion and development channel
	Improve employee communication and feedback mechanism
	Enhance communication and training on business ethics policies to employees and business partners
	Improve mechanism for stakeholder complaints and whistleblower protection
Market environment risk	Improve company information disclosure and accept public supervision
	In case of encroachment of the corporate property by any individual, the Company has the right to recover assets in accordance with the legal requirements of the Company Law of the People's Republic of China.
	Formulate and implement sustainable development strategy and build ESG sustainable development system
	Carry out sustainability-related products and actively promote development of green financial products
Business operations - Bond risk management	Strengthen ESG awareness training for employees and integrate ESG concepts into all aspects of the corporate operations
	Invest in/support ESG-related emerging industries/companies
	Join international initiatives to follow up the domestic and international market trends
	In reliance on the quantification of Moody's internal system and the qualitative analysis of the department's credit assessment professionals, the Company established its credit risk assessment system during the reporting period, issuing independent and objective credit risk assessment results, and effectively controlling credit risk through bond pool stratification management.
Business operations - Risk management for investment advisory business and product business	Sort out the risk points of investment advisory business
	Define the entry criteria for product managers
	Daily patrol inspection on online products and services
	Organize special product quality inspection and hold special compliance meetings for product managers
COVID-19 pandemic risk	Establish pre-event, in-event and post-event ledger and patrol inspection mechanism for video livestreaming
	Conduct internal audits in conjunction with the Compliance Department for offline investment advisory business
	Prepare Guoyuan Securities Emergency Response Plan for the Prevention and Control of the COVID-19 Pandemic
	Organize vaccinations for 1,236 employees at the Company Headquarters, with a vaccination rate at 95%
	Once an employee is identified as a pandemic sub-close contact, immediately start the emergency response plan, and actively take effective prevention and control measures, take urgent measures to centrally quarantine such sub-close contact employee
	Timely replace the new infrared temperature monitors to ensure accurate metering
	Adhere to the normal pandemic prevention policy, supervise and inspect the key areas of pandemic prevention, especially strengthen the management on pandemic prevention materials storage and management, pandemic reporting, daily hygiene and cleaning and pandemic prevention and disinfection, and restaurant food hygiene management, and urge to correct in time the problems found.

Construction of risk management talents

- ▶ Organize employees for collective learning to improve risk control expertise.
- ▶ Give business training to risk management personnel through external training, self-initiated study, CPA continuing education and other forms.
- ▶ Forward various types of information released by regulators and market players in time through QQ, WeChat and other information platforms to expand the knowledge of risk management personnel and enhance their practice capabilities.

Risk management performance

- ▶ Incorporate the holding subsidiaries into the Group's comprehensive risk management system and complete Phase I construction of the risk control index
- ▶ No non-compliance events due to improper risk management occurred to the Company.
- ▶ Major ESG risk and opportunity assessment was conducted within the Group (including subsidiaries) for the fiscal year of 2021.
- ▶ Requirements were defined and updated based on the Corporate compliance management effectiveness assessment, the updating of the departmental compliance management effectiveness assessment form and the updating of the internal control matrix were completed.
- ▶ Investment banking projects were supervised on the integrity and anti-money laundering, where the project integrity disclosure and anti-money laundering identification forms were collected before the internal audit, and return visits were paid after the projects were initiated.
- ▶ The Company submitted reports to the Shanghai Stock Exchange ("SSE") and the Shenzhen Stock Exchange ("SZSE") on the credit risk management of bonds and ABS during their life cycle.
- ▶ There were no new risk projects, and the disposal and resolution of existing risk projects were continuously promoted, showing that the corporate business risks were measurable, controllable and bearable.
- ▶ Deloitte Intelligent Bond Risk Alert System was put in operation

Market opportunity

The opening of the Beijing Stock Exchange (BSE) is another major innovation to promote the high-quality development of the capital market. The Company attached great importance to business deployment at the new three boards and captured the development opportunity to sponsor Anhui Jinsai Technology Co., Ltd., making it one of the first batch in China and the first in Anhui listed on BSE. The corporate "Cloud Counter" took the lead in supporting the account opening appointment with BSE on September 22, 2021, becoming one of the first brokers to support the account opening with BSE. This guaranteed the corporate customers to smoothly participate in the various businesses of BSE market. We opened 31,978 accounts with BSE and sponsored five companies to be listed on BSE during the reporting period, with the total number of sponsorships ranked the fourth in the industry. The Company was evaluated as "excellent" by NEEQ in terms of new three board business.

We were the first broker in the industry to participate in selected-tier strategic investors issues and the first broker engaged in both strategic investors and sponsorship businesses. In the first half of the year, the Company took advantage of the market downturn to actively participate in selected-tier strategic investor business, investing in more than half of the selected-tier companies.

During the reporting period, completed the opening of accounts on the North China Stock Exchange

31,978 accounts

NEEQ business evaluation was awarded by National Equities Exchange and Quotations

Excellent

Non-directional innovative business

After obtaining the qualification related to derivatives business, the Company entered into SAC agreements with more than 20 domestic top-tier financial institutions, including China Merchants Bank and CITIC Securities. The Business Department was supported to develop neutral strategy income swap business to expand institutional client base. Neutral quantitative investment has made significant progress this year in multi-factor stock selection, machine learning, and program trading, and investment in structured options such as index enhancement and snowball achieved good results in real-world, which accumulated rich experience for the later vigorous development of de-directionalized investment.

In order to enhance its capability of risk control and build the risk management culture participated in by all employees, the Company invited external risk management experts in 2021 for management training on ESG major risks and opportunities to representatives from all business units at the corporate Headquarters and subsidiaries, laying a theoretical foundation for the Company to build its comprehensive risk management system.

In 2021, the Company consolidated risk control indicators in financial statements through technical innovation, covering its Headquarters and four subsidiaries (Guoyuan International, Guoyuan Equity, Guoyuan Innovation and Guoyuan Futures) and completed successfully and ahead of schedule the consolidation of 328 indicator data into the financial statements in 3 months through data warehouse and RPA technologies. The consolidation of risk control indicators into the financial statements is one of the prerequisites for the Company to apply for innovative business whitelist. The risks in the Group's business operations can be better controlled upon consolidation of risk control indicators into the financial statements. The completion of consolidation of risk control indicator into the financial statements marked a new construction stage of the corporate comprehensive risk management system.

Stakeholder communication

Based on the requirements of the AA1000 Stakeholder Engagement Standards issued by the Society for Social Responsibility and Ethics, we redefined the major stakeholders and consolidated some of them. The final major stakeholders include: Employees, customers, shareholders and investors, creditors, governments and regulatory bodies, business partners, communities and the environment.

At the end of 2021, the Company invited stakeholders and members of the internal governance body to participate in the materiality assessment on sustainable development topics, and eventually received 4,347 questionnaires through online and on-site research.

The research allowed stakeholders to indirectly participate in formulating the Corporate ESG development strategy and goals, and to understand the concerns and expectations of stakeholders as well; it served as an objective basis for determining and adjusting the material topics of the Group's 2021 ESG report.

Identification and Communication of the Corporate Major Stakeholders

Stakeholders	Needs and expectations	Communication and response	Frequency of communication
Employee	Protection of rights and interests of employees Training and development	Performance appraisal	Periodic
Client	Customer privacy and information security Customer communication and service	Employee training Internal meetings OA (Office Automation) platform Corporate culture activities	Ad-hoc
		Customer service and complaints Guoyuan Dianjin App Official WeChat account and other media interaction Customer follow-up	Ad-hoc
Shareholders and investors	Corporate governance Business ethics Compliant operation and risk management	Shareholders' meeting Regular information disclosure Investors' home Investors' contact point	Periodic
		Investor education Corporate official website, official WeChat account and other media interaction Telephone, customer call-back Performance presentation Investor collective reception day Communication with non-bank analysts	Ad-hoc
Creditors	Corporate governance Compliant operation and risk management Responsible investment	Regular information disclosure	Periodic
		Communication meeting	Ad-hoc
Government and regulators	Corporate governance Compliant operation and risk management	Regular information disclosure	Periodic
Business partner	Supply chain management	Communication meeting Questionnaire research On-site and off-site verification	Ad-hoc
Community and environment	Public welfare and community building Financial environmental impact Green operations Green development	Official WeChat account and other media interaction Public welfare activities Questionnaire research Investor education Green office Green finance	Ad-hoc

Analysis of material topics

After analyzing the development trend of the external financial environment, we conducted the analysis on material topics in consideration of the forecasts of external research institutions and experts on emerging risks, the corporate strategic plan for the 14th Five-Year Plan period, and the demands and expectations of stakeholders.²

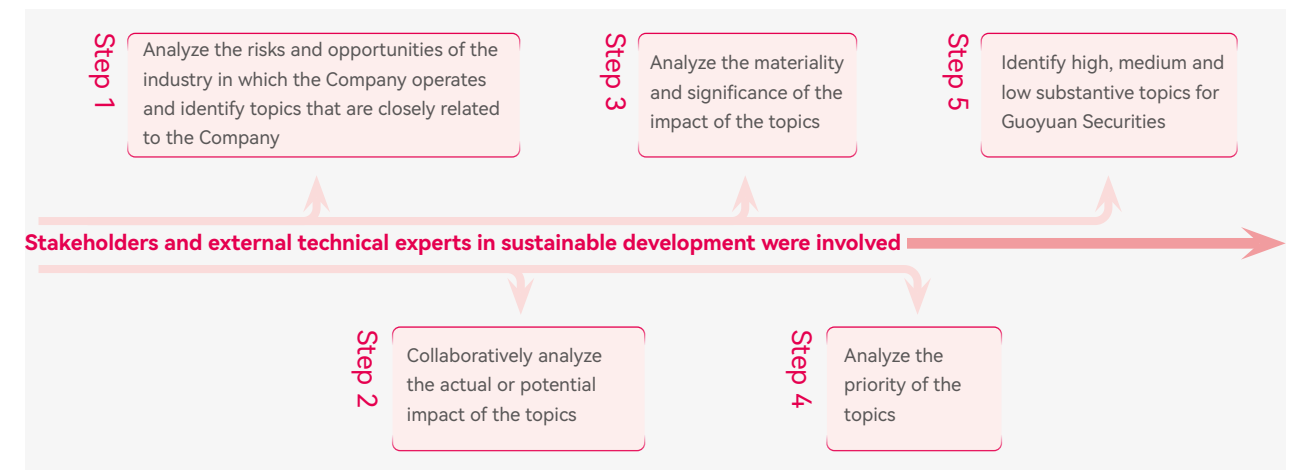


Chart: Analysis process of material issues in Guoyuan Securities

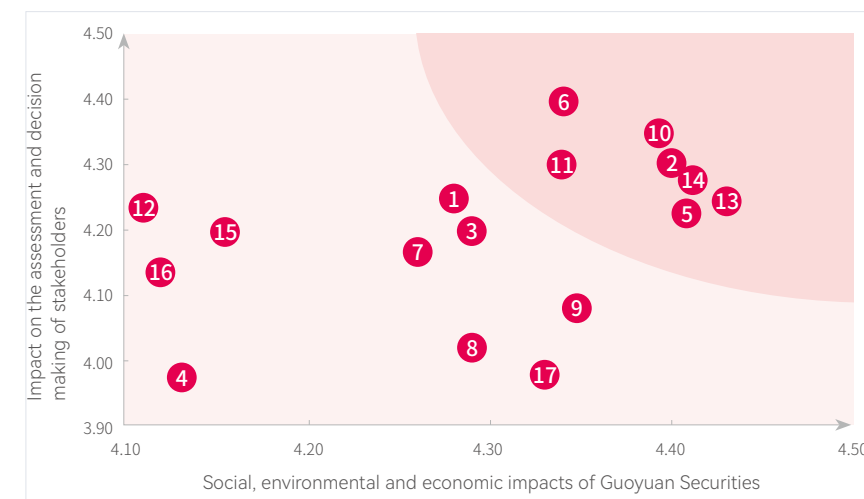


Chart: The analysis matrix of Guoyuan Securities material issues

The topics of high materiality we identified through the materiality analysis were: Corporate governance and risk management, business ethics, responsible investment, climate change mitigation/ green operations, financial environmental impact, employee training and development, diversity, inclusion and equal opportunity.

No.	Material topics	Impact scope		Priority/ Impact level
		Internal	External	
1	Economic performance	✓	✓	Medium
2	Corporate governance and risk management	✓	✓	High
3	Compliance operation	✓	✓	Medium
4	Supply chain management	✓	✓	Medium
5	Business ethics	✓	✓	High
6	Responsible investment	✓	✓	High
7	Customer appropriateness management	✓	✓	Medium
8	Information security and privacy protection	✓	✓	Medium
9	Product innovation and IP protection	✓	✓	Medium

No.	Material topics	Impact scope		Priority/ Impact level
		Internal	External	
10	Climate change mitigation / green operations	✓	✓	High
11	Financial environmental impact	✓	✓	High
12	Legal employment and employee rights	✓	✓	Medium
13	Diversity, inclusion and equal opportunity	✓	✓	High
14	Employee training and development	✓	✓	High
15	Employee health and safety	✓	✓	Medium
16	Serving the real economy	✓	✓	Medium
17	Charity and public welfare	✓	✓	Medium

² The 14th Five-Year Plan of national economic and social development



Creating a positive financial environmental impact

Operation integrity and compliance

Data security and privacy protection

Investor education

Sustainable finance

Science and technology innovation

ESG research results

Operation integrity and compliance

Integrity practices and compliant operation

Operation integrity and compliance is the foundation for the sound development of Guoyuan Securities. Adhering to the business philosophy of "integrity first, standardized operation, customer paramount, high quality and efficiency", and aiming to establish a risk prevention and management system for operation integrity, Guoyuan Securities advocates the concept of integrity practice, creates a cultural atmosphere that respects integrity and prohibits corruption, and establish a good internal environment for the Company to achieve sustainable, healthy and high-quality development. The Company established and improved its internal control of integrity practices to standardize the responsibilities of the corporate personnel and institutions at all levels for integrity practice in accordance with the Securities Law, the Supervision and Administration Regulations for Securities Companies and other regulatory requirements, and in conjunction with the corporate culture and philosophy system construction, the Company formulated the Employee Compliance Manual, the Management Measures for the Evaluation of the Compliance Management Effectiveness, the Management System for Clean Practices, the Implementation Rules for Internal Control of Clean Practices and the Regulations for Clean Practices of Securities and Futures Institutions and Their Employees. The above regulations applies to all employees of the Company, the brokers who sign commission agreements with the Company, and other personnel dispatch to the Company by labor agencies.

Supervise on the management responsibilities of the Board of Directors, executives for integrity practice

Implement the integrity practice management objectives

Decide on integrity practice management objectives

Supervisory Board

Executives

Board of Directors

Chart: Governance structure for integrity practice

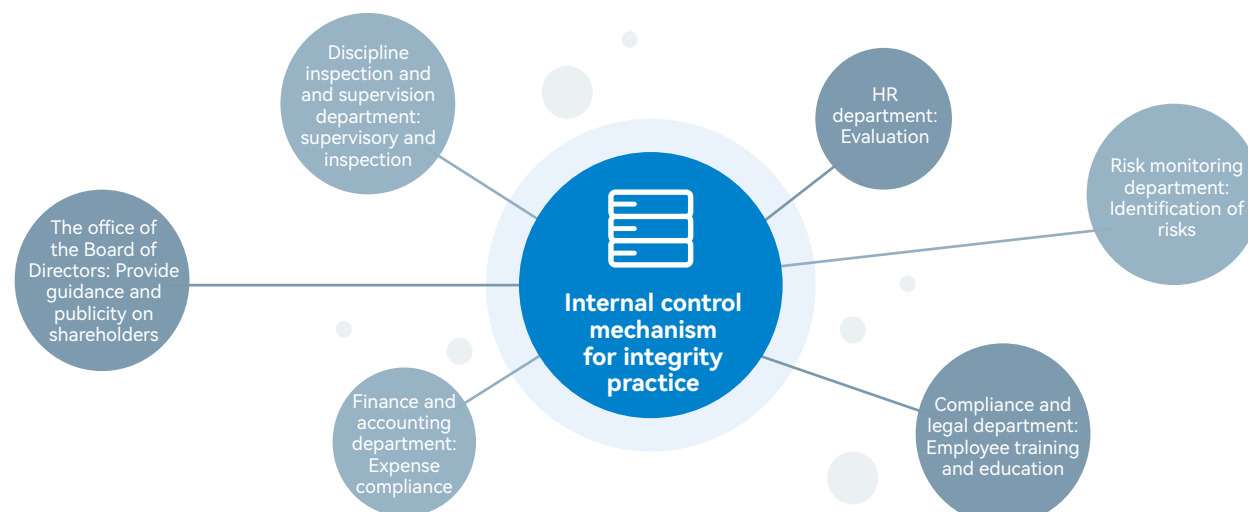
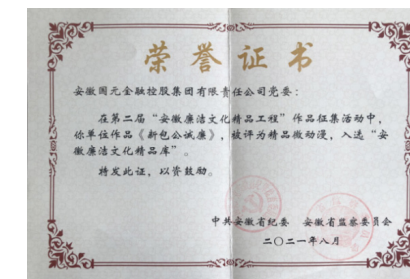


Chart: Internal control mechanism for integrity practice

During the reporting period, the company's securities practitioners signed "the Integrity Practice Commitment"

100%



The corporate discipline inspection and supervision department carries out internal inspections on integrity practice on a regular and irregular basis, incorporates the integrity risk into annual internal control assessment, urges the relevant departments to timely correct the found problems, and initiates the accountability procedures for those responsible personnel. Before April 30 each year, the Company submits a report to Anhui Securities Regulatory Bureau on its integrity practice management for the previous year based on the daily inspection and audit findings.

100% of the corporate securities practitioners signed the "Integrity Practice Commitment" and regularly attended integrity practice trainings during the reporting period.

The Company reminds its officers at all levels to be honest and self-disciplined by issuing documents on integrity and self-discipline, and sending integrity-reminder messages to prevent and curb corruption and extravagance during holidays to promote integrity culture. The micro-animation "New Baogong Integrity Commandment" produced by the Company was selected into the second "Anhui Excellence Library of Integrity Culture".



"New Baogong Integrity Commandment" produced by the Guoyuan Securities

Integrity-practice performance of Guoyuan Securities for the year 2021

Sessions of training on integrity practice sessions

22

Coverage of training on integrity practice

100%

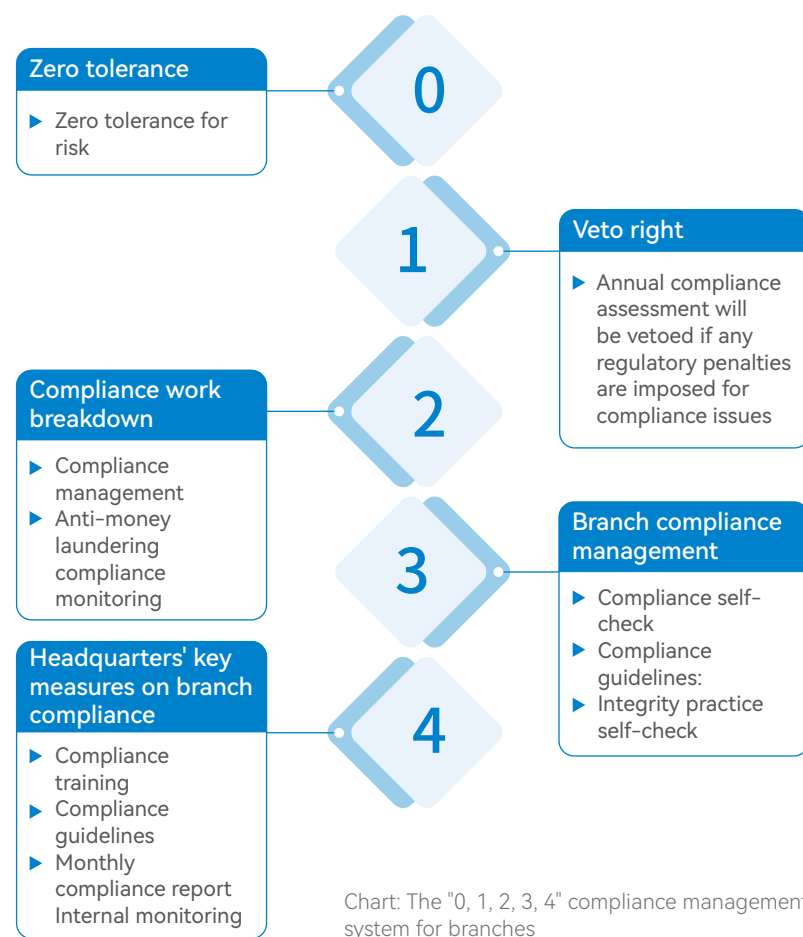
Events of violating integrity practice requirements

None

Guoyuan Securities has gradually built its compliance management system with compliance culture as the lead, system construction as the foundation and closed-loop management as the key elements.

The Company actively promotes its compliance culture construction, enhances all employees' compliance awareness, and continuously improves the compliance concept of all employees through on-site and video training and issue of compliance guidelines. It intensifies the training for compliance management talents to improve the professional level of the compliance management team.

In terms of system construction, Guoyuan Securities continuously improves its anti-money laundering compliance monitoring capabilities by taking the opportunity to upgrade its anti-money laundering monitoring system, information isolation wall, online behavior management and other compliance management systems. In addition, in response to the frequent occurrence of compliance risk events in various branches in the securities industry, Guoyuan Securities establishes "0, 1, 2, 3, 4" compliance management system for its branches to continuously mitigate compliance risks. Guoyuan Securities was rated A in the regulatory classification rating in 2021, representing its overall stable and sound development.



Reporting mechanism of Guoyuan Securities

Customer complaints/reports

Tel.: 95578/4008888777
Email: 95578@gyzq.com.cn
Correspondence: Tower A, Anhui International Finance Center, No.18 Meishan Road, Hefei City, Anhui Province, China
Postal code: 230022
On-Site: Business outlets of Guoyuan Securities

Non-customer complaints/reports

Tel.: 0551-62207323 / 62207968
Email: esg@gyzq.com.cn
Correspondence: Tower A, Anhui International Finance Center, No.18 Meishan Road, Hefei City, Anhui Province, China
Postal code: 230022
On-Site: Guoyuan Securities Headquarters

The reporting mechanism of Guoyuan Securities is accessible to the public, and all stakeholders may file complaints and reports through the above channels.

Anti-corruption

Guoyuan Securities whistleblower policy

We protect the legal rights of all whistleblowers, and shall not disclose information about whistleblowers to protect them from retaliation and discrimination. In addition, in order to avoid damages to the legal rights of whistleblowers from malicious reporting, we strictly verify each report, strictly prohibit inaccurate reporting, and transfer the case with serious consequences to the judiciary authorities.

Anti-corruption training during the reporting period

Anti-corruption training coverage rate for directors, supervisors and senior executives

100%

Other employee anti-corruption training coverage

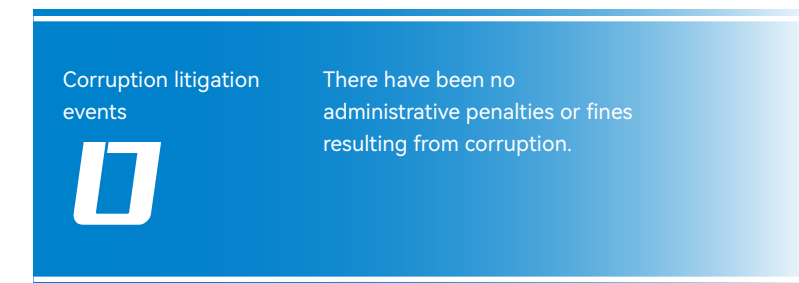
100%



Chart: Anti-Money Laundering Governance Structure

Communication of anti-corruption policies during the reporting period:

The Company promoted anti-corruption policies to all employees through internal office system. We also organized employees to study documents such as "Compliance Case Alert -- Practitioners Violating Integrity Regulations" through WeChat group.



Anti-money laundering

The Company set up a comprehensive anti-money laundering organization structure in accordance with the Anti-Money Laundering Law of the People's Republic of China, the Supervision and Administration Measures for Anti-Money Laundering and Anti-Terrorist Financing of Financial Institutions, the Anti-Money Laundering Guidelines for Securities Companies and other laws and regulations to comprehensively control anti-money laundering risks from top to bottom, and thereby to build an anti-money laundering management system of international standard.

In 2021, the Board of Directors adopted the revised "Management Measures for Compliance Management Effectiveness Assessment of Guoyuan Securities Co., Ltd." and formulated audit guidelines for connected transactions, anti-money laundering, and research and assessment of the internal audit department. The Corporate Review and Audit Department coordinated in promotion of the internal audit system and completed 111 audit projects in 2021, among which 15 special audits were carried out on the management of significant events such as connected transactions, internal control evaluation, anti-money laundering and anti-terrorist financing, and management of funds raised. The Company newly revised Anti-money laundering system "Self-Assessment Guideline on Money Laundering and Terrorist Financing Risks (Guosheng Compliance No. [2021] 565)" in 2021.

The Company prohibits any anti-money laundering activities and related incidents. We develop risk mitigation measures from several dimensions, such as real-time detection of suspicious transaction to reduce anti-money laundering risks. We adopted a combination of system alert and manual identification to report suspicious transactions in a timely manner, and also carry out self-assessment on anti-money laundering risk.

In April 2021, the Company was rated BBB (the highest rating for securities financial institutions in Hefei region) in 2020 anti-money laundering rating for corporate financial institutions in Hefei region.

The Company conducted a total of 11 anti-money laundering related training sessions for employees in 2021, covering 500 employees. In addition, We organized public service activities for the public to enhance public awareness of anti-money laundering events. The Company had no money laundering related violations during the reporting period.

The Company organized study of documents such as "Interpretation of Anti-Money Laundering (Sanction) Implementation Cases", "Illegal Fund Transfer by the Broker through High Commission Model" and "Series Cases of Anti-Money Laundering Practice" through WeChat group of the department. 100% of the investment managers and traders signed the Non-Disclosure Agreement.

In 2020, we were awarded by Anhui Securities Regulatory Bureau as the outstanding performance unit in preventing and combating illegal fund raising. In 2021, we continued to make efforts to organize a series of law popularization activities on illegal fund-raising such as popularization of regulations on prevention and punishment on illegal fund-raising, publicity month of illegal fund-raising and so on.



2021 Publicity Month of Anti-Illegal Fund Raising

In 2021, the company will conduct anti-money laundering-related training for employees in total

11 sessions

Covering

500 employees

In order to enhance college students' awareness of safety protection, improve their ability to identify financial risks and foster good financial habits, Guoyuan Securities Investor Education Base, together with the Tianda Road Business Outlet of Hefei, visited Anhui Xinhua University in May 2021 for investor education activities with topic of "Publicity Month of Anti-Illegal Fund Raising", including lectures on "Fraud Prevention Strategy" and "Popularization of Civil Code Knowledge".

The Company invited independent third party to conduct business ethics audit in 2021, covering anti-corruption, anti-money laundering, anti-monopoly, anti-unfair competition, IP protection, data security and privacy protection, effectiveness of complaint mechanism, and compliance system construction. The scope of the audit covered entire Guoyuan Securities Co., Ltd., and 0 significant non-conformance was identified based on audit result.

During the reporting period, no economic losses was occurred from legal proceedings related to fraud, insider trading, anti-monopoly, anti-competitive behavior, market manipulation, malpractice or violation with other related financial industry laws and regulations.

In addition, the company's overall appropriateness management was effective and efficient, with clear and complete systems and standardized business processes, and actively carried out self-examination and training every year in accordance with regulatory requirements. Self-inspection and training are carried out every year in accordance with regulatory requirements to fulfill the obligations of securities companies in terms of appropriateness and protection of investors' rights.

Supply chain management

The Company is committed to building a transparent supply chain. We strictly follow the laws and regulations such as "Law of the People's Republic of China on Tenders and Bids" and "Anhui Provincial Measures for the Implementation of Law of the People's Republic of China on Tenders and Bids" to standardize the bidding management of the corporate's engineering and construction projects, hardware and software equipment procurement, bulk commodity procurement and other projects. We are committed to selecting suppliers by open, fair, just and transparent method and actively integrate ESG-related factors into supplier access and evaluation to promote sustainable development construction of the supply chain. In 2021, the Company formulated and communicated to all suppliers about "Guoyuan Securities Supplier Code of Conduct Relating Anti-Corruption" and achieved a 100% communication rate of anti-corruption policies and procedures.

Data security and privacy protection

Since the personal information of customers may be collected and used during the business process, information security becomes the concern to be safeguarded. In order to ensure the security of customers' personal information and data and to avoid the risk of information leakage, we followed the principle of "prevention first, rapid response, timely treatment, and impact reduction". We enhanced the crisis awareness of the corporate employee through training, strengthened the technical innovation capability, expanded the business coverage of the automated operation, optimized process control, and established a rapid emergency disposal mechanism by regularly organizing emergency drills to ensure the safe, stable and efficient operation of all information systems of the Company such as the network infrastructure, trading systems, and operation services.

Understanding the importance of customer privacy and data protection, the company respected and protected the privacy of each customer, and made every effort to protect the security of customer data. In order to standardize its data security management, effectively fend off data security risks, and standardize the lifecycle security process and general security process of data, the Company has formulated the "Guoyuan Securities Data Security Management Rules" and other documents in accordance with the "Guoyuan Securities Data Governance Management Measures" and with reference to the "Data Lifecycle Security Standards for Financial Data Security", "Information Technology Management Measures for Securities and Fund Operators" and other industry standards. By following the basic principles of "clear responsibility, security and compliance, minimum authorization and auditability" and through management and technical means, it made sure the data were protected effectively and used in a compliant manner in terms of data lifecycle security and general data security.

General data security includes data classification and grading and data authority management. In order to standardize the data classification and grading management of the Company, clarify the corporate data assets, determine the materiality and sensitivity of the corporate data, and manage and protect data assets in a targeted manner, the Company formulated the "Guoyuan Securities Rules for Data Classification and Grading Management" with reference to the "Guidelines for Data Classification and Grading in the Securities and Futures Industry" and other industry standards, and established the framework of data classification and grading system, so as to effectively intervene and supervise a series of activities including data classification and grading. In terms of a data authority, each department and branch could apply for demand according to regulatory requirements and business management needs, and then finally completed the authority allocation and authority filing for strict control of the data authority management after preliminary reasonableness judgment, approval from the department head, demand review, compliance audit, and approval from data governance leader group.

Data full lifecycle security management covered all processes in the data lifecycle from data collection, data transmission, data storage, data use, data exchange to data destruction, and different control measures were taken for different data levels, and different appropriate methods were adopted for each aspect, such as authentication, regular assessment, permission restriction, access frequency restriction, record retention, level-by-level approval and on-site supervision by personnel. The Data Governance Leader Group also regularly checked the implementation of data security systems and processes, and promptly urged relevant departments to correct any items not in line with the systems and processes. In addition, for data of financial consumers such as personal customers, institutional customers, the user's demand to access to privacy policies should also be met and guided, security and protection measures such as display shield to prevent the explicit display of passwords and use of security controls for security protection to further strengthen the data security during the data collection.

To improve its information technology governance, and regulate the construction, operation and maintenance of the information system, the Company comprehensively revised management regulations on its information system, with a total of 20 information technology management regulations revised during the reporting period. To prevent the risk of diversified information security threats such as data leakage and network attacks, in 2021, the Company conducted 11 network security level protection assessments for centralized trading systems and a total of 2 emergency drills for centralized trading and financing and securities financing systems to timely respond to and identify possible network and information security threats.

The Company presented to all stakeholders the Guoyuan Securities Privacy Policy on the Internet Platform through the public announcement on its official website and pop-up notice upon first use in its official website and Guoyuan Dianjin APP, and the customer could not use the APP until it agreed with privacy policy at the APP end, so that the privacy policy was open, clear, explicit and accessible. There was no leakage of customer information and privacy during the reporting period.

During the reporting period, we gave data security and privacy protection training and conducted data security audits to all employees and there was no data security and information leakage incident for the year. All investment managers and traders of the Company signed the Non-Disclosure Agreement.

Number of information security assessments conducted by the Company during the reporting period

Once

Number of IT emergency drills conducted by the Company during the reporting period

Twice

Customer information and privacy breaches occurred during the reporting period

0

As required by the regulators that three-year full-coverage audit should be conducted on its compliance, security, and performance of information technology, the Company engaged an external agency to evaluate and recommend the construction and operation effectiveness of the information technology system, with a focus on IT governance, compliance, and risk management, cybersecurity, and APP personal information security management, etc. and continuously improved its information technology governance through evaluation.

Customer satisfaction

96.64%
in 2021.



Customer Service Series Activities "Growing Together - Renewing the Chapter of Excellence"

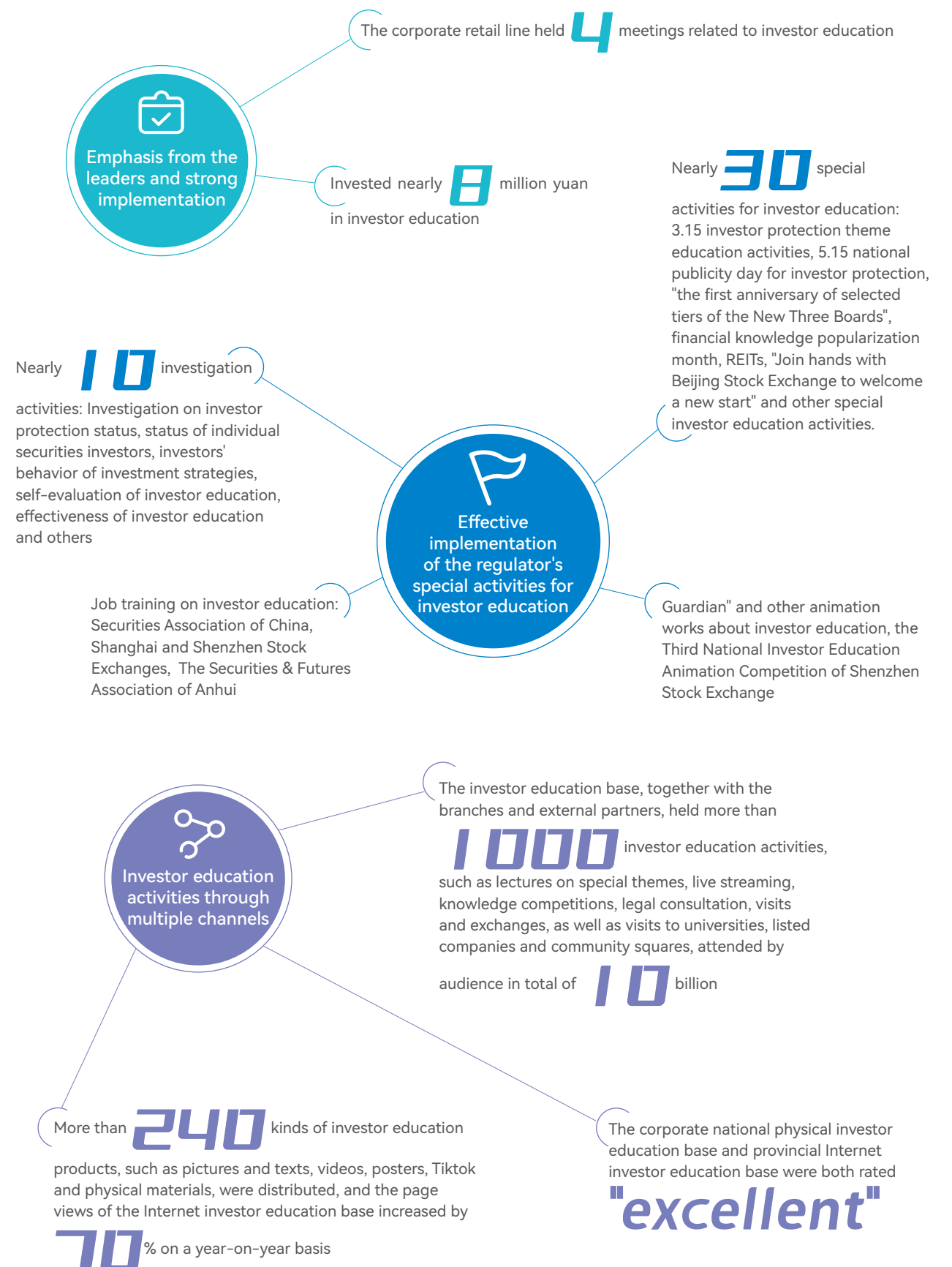
In September 2021, the Company organized the "Growing Together, Continuing the Chapter" customer service quality improvement activity. The campaign aims to improve customer service quality, expand investor service coverage and increase customer stickiness by focusing on individual customer needs and providing differentiated and precise services. As of the end of the reporting period, 106,000 customers had participated in the "Yuan Fu" series of service packages; 1.75 million customers were reached online; 36 online "Colorful Live Month" and "Yuan Qing 20 - Win Series Live Carnival" were in September 2021, the Company organized the "Growing Together, Continuing the Chapter" customer service quality improvement activity. The campaign aims to improve customer service quality, expand investor service coverage and increase customer stickiness by focusing on individual customer needs and providing differentiated and precise services. As of the end of the reporting period, 106,000 customers had participated in the "Yuan Fu" series of s organized. We organized 36 online events such as "Colorful Live Month" and "Yuanqing 20 - Win Series Live Carnival" and 29 offline "Face to Face with Investment Advisors", reaching about 90,000 customers.

Investor education is a public service aimed at improving the quality of national finance, and also a long-term, basic and regular task. In order to reduce investors' cognitive deficiencies in investment due to information bias and avoid their wrong and irrational investment due to their own behavioral biases. We carried out extensive, in-depth and sustained investor education and intensified investor education of correct investment knowledge. Always insisting on the investor education that was oriented to investors, Guoyuan Securities took the actual needs of investors as the starting point, adhered to the principle of "public welfare", followed the concept of "big insurance", and jointly promoted public welfare investor education and protection of investors' legal rights and interests with other parties by our common efforts.

Insisting on the operation concept of "coordinated planning, gradual progress, linkage between the headquarters and branches, and perseverance" for investor education, the Company improved its investor education system, coordinated the headquarters and branches and built the contact mechanism, set up the system platform for investor education, intensified compliant practice training and optimized the resources for investor education. We gradually developed a favorable pattern with linkage between the headquarters and branches, combination of points and sides, multi-faceted cooperation and win-win development, where investor education base was taken as the center, many investment education sub-bases and branches as the grasp and corporation with external institutions, such as regulatory departments, universities, enterprises, public institutions, listed companies, news media.

We prepared "Guidelines for the Construction of Branch Investor Education Bases" to guide and assist branches in selecting partners and sites in the local area to enhance the corporate regional influence and coverage.

The corporate investor education during the reporting period



Investor education

Create a culturally rich investor education base

"Guoyuan Securities Culture Lecture Hall" series of public welfare lectures

"Intangible Culture Heritage Month" activities



Promote the construction of branch investor education base

Investor education bases in Sichuan Chengdu, Anhui Chizhou, Fuyang Funan, Changjiang Road of Hefei were completed and open to the public in 2021.

Continuously deepen the content of national education

Build a long-term cooperation mechanism for investor education in university

Hold the Sixth "Guoyuan Securities Cup" Anhui University Students' Financial Investment Innovation Competition

The series of activities of "Give back to our hometown"

Build "Modern Finance Experiment Center" with Anhui International Studies University

New media assisted in investor education

The five major video accounts: Investment Fund School, Wealth School, Bid Data School, Finance School, Research Mr. AB were created and their works were released on Bilibili, ixigua, Xiaohongshu, Tiktok, Kuaishou and other platforms, with 106,000 fans in total (two of them are newly created), over 500 short videos released, over 11 million views, over 850,000 times of forwarding and comments and likes. The Internet investor education base was viewed 1.81 million times, with an increase of 70% year-on-year, and was rated "excellent" in the annual evaluation of Anhui Securities Regulatory Bureau.



The series of investor education going to universities in 2021



Signing ceremony of the Cooperation Memorandum of the Securities and Futures Investor Education Going to Campus and the Agreement on Co-Building of Practical Education Base were held at Guoyuan Securities

Fintech innovation

Digital transformation strategy

The Company formulated the overall planning and implementation plan for "One Network, Many Clouds" in 2021. The core network, trading and non-trading resources, office cloud, R&D cloud and other basic resources were all positioned on the cloud, and the trading network rate increased from gigabit to 10 gigabit to achieve low latency in the whole network. The platform cloud provided a solid foundation for the agile deployment of various business systems. About 35 million yuan was invested in cloud construction to achieve 1,000 computing nodes capacity, and significant reduction of costs and enhancement of efficiency.

Fintech and digital transformation

We strengthened our brand promotion by enhancing our online services, online marketing and online content. We conducted deep cooperation with Huawei for application market optimization and promotion, with brand exposure of 36.46 million times, and promoted strategic cooperation with top Internet platforms such as Ali Cloud and Sina Finance.

The Company conducted independent research, development and innovation on its products. It adopted Monte Carlo to simulate historical regular investment, developed multiple sets of intelligent regular investment strategy models (average line, profit and loss, valuation, and profit stop), and synchronized the operation of intelligent regular investment strategies from June 2021, selecting four funds from the pool held and operated by the Company for regular investment, with return increasing by 2% at the maximum and significant improvement of Sharpe ratio at the end of the reporting period.

Transformation initiatives during the reporting period

Measure I Build QMT (Quick Quantitative Trading) System

QMT System was officially launched in June 2021. The system was able to fully meet the trading needs of institution customers and high net worth customers, filling the gap of the corporate professional trading system. As of the end of December 2021, the number of QMT online customers exceeded 79 accounts, recorded a total turnover of over 20 billion yuan, an average daily trading of 60,000 transactions and an average daily trading volume of about 300 million yuan.

Measure II Online processing of business

In order to improve the efficiency of the professional system in application and handling and enhance the standardization, compliance and convenience of business processing, the Company converted the offline business processing into ERP online processing.

Measure III Build a data warehouse

The Company has basically met the data warehouse requirements for customer transactions and privately offered funds sales, laying a digital foundation for cost sharing and scientific performance assessment for the Lehigh Hongking project and the algorithmic trading project in the future.

Measure IV Online processing of sales of privately offered funds

The Company has preliminarily launched online sales where individual customers could sign electronic contracts and subscribe and redeem privately offered funds online.

Measure V Continuously promote the system construction related with the corporate quick trading

The Company took the lead in the construction of the SSE quick project; promoted approval of Lehigh Hongking and advanced the construction of the corporate VIP seats and speedy counter for securities margin trading.

Digital transformation project products developed by the Company	Benefits of digitalization for the Company
Data Middle Platform and Wealthy Client CRM Upgrade	Docking to the data center, it realizes precise marketing, intelligent marketing, and customer panoramic view. The financial mall assists customers to independently select high-quality target funds, revealing fund market data and product information in an all-round way, and significantly improving data accuracy, timeliness and richness. The one-stop purchase function of private equity has improved the online service experience of high net worth customers and boosted the sales of private equity products.
Cloud counter and a counter pass intelligent transformation	Business-oriented centralized operation, for different channels business acceptance annual iterative project.
Info Center	Establish an information center for retail customers, realize the integration of multi-source information, and grasp the whole picture of company information. Realize information reuse, and have the ability to deliver information to multiple terminals. Realize intelligent information recommendation, correlate customer tags, and improve the accuracy of recommendation. Realize the information on the ground, and flexibly allocate information columns in the operation center to display different information for different people.
Product Center Upgrade	Establish a shared service product center to realize process support for products, unified control of product declaration cycle, and a unified product view.
Data API Capability Platform	Build a data service platform and improve the data exchange layer. Data service provides data through API calls, which is lighter, more flexible and more convenient than the common data synchronization method, and the downstream application is more concerned about the use of data, not the collection, storage and processing of data. Based on this, data services can be more closely integrated with business processes, and are an important part of the "data middleware".
Employee terminal (APP+PC)	Integrating the functions of investment advisor service and mobile CRM mobile OA/ mobile ERP to realize unified staff terminal and docking to data center to realize data collaboration. Far Eastern PC terminal introduces a variety of intelligent quotation and trading tools, realizes the layered operation of PC terminal customers and makes up for the short board of PC terminal services for high net worth customers.
Personalized recommendation of Guoyuan Point Financial data	Guoyuan Dotcom APP has iterated 11 versions, adding 163 optimized functions. In October 2021, the company released the new Dotcom 7.0 version, which newly launched the core function modules such as Dotcom personalized home page, new financial mall, level-2 tools, dual financing panoramic assets, intelligent statement, etc.; the quotation and trading module was significantly speeded up, and in the third-party professional evaluation, Guoyuan Dotcom APP ranked In the third-party professional evaluation, Guoyuan Point Gold APP ranked in the top ten of listed brokerage APPs. This move further deepens the positioning of APP as the company's online comprehensive wealth management platform, implements the customer-centered purpose, optimizes customer operation capability and promotes the transformation of wealth business.
User Center	Manage user-level public profile data to provide real-time, complete, shared and consistent user information and user profile information for business platforms.
Account Center	Manage clients' trading accounts from a centralized trading system.
Call Center Optimization Project	Docking to data middle office, customer center, product center, and equity center.

Fast

It provided customers with quick market information and quick trading, and its rank in terms of market information release rose by more than 20 places and ranked top in the industry, according to the third-party evaluation agencies.

Comprehensive

The wealth management mall became more comprehensive, with more complete market data, more complete decision-making tools, and more thorough terminal support.



Accurate

The new home page, new stock selection and accurate smart statement and other functions were created to provide customers with personalized services.

Efficient

With a new technology framework, diversified technology stack and dual backup quotation sources, the new version was more efficient and the average number of visits in a single day increased by over 400%.

During the reporting period, Guoyuan Securities was selected as one of the seventh batch of provincial "Special Support Program" and the thirteenth batch of provincial "115" industrial innovation teams organized by the Organization Department of the CPC Anhui Provincial Committee.

The Company passed the CMMI Level 5 assessment certification initiated by the Financial Technology Department in 2021, marking that the Company was recognized by international authorities in terms of software development capability and project management level. CMMI is the organization-level certification with the highest specification and most difficulty in the global software field, and Level 5 is the highest certification level under this standard, with pass rate less than 15% of the total number of assessed institutions. Promoted by the evaluation, the corporate R&D team established a set of standardized and applicable R&D management system, effectively enhanced software R&D management, continuously strengthened personnel performance management during the evaluation to comprehensively form a long-term mechanism for self-improvement.

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ESG research results

In 2021, the Company published 1,229 external research reports and 274 internal reports, totaling 1503 reports.It provided investment research service over 800 times, including analyst road show, communication with listed companies and experts. Among them, more than 30 research results were related with ESG, covering sustainable finance, green finance, climate change and other topics. The blue book "Anhui Listed Companies", which the company participated in preparation, won the second prize in the national competition in 2021.

The "Guoyuan Research" Version 2.0 app developed and designed by the Company covers "daily morning reports, monthly gold stocks and outbound reports on key industries", and will successively made available to the respective qualified customers the research resources that meet compliance requirements, in an effort to provide more professional and convenient research services. A total of 37 reports on offline IPO strategies were prepared through research. In addition, various strategies were also available, such as securities hedging, China Youth Innovation and Start-up Board securities arbitrage, intraday reversal of securities funding, and block arbitrage.

The total number of external research reports issued

1 229

Taking into account the investment trends in domestic and international capital markets, as well as the national requirements for developing green finance and for establishing a sound economic system of green, low-carbon and cyclic development, Guoyuan Securities formulated the Guoyuan Securities Responsible Investment Guidelines (Trial) in accordance with the Securities Investment Fund Law, the China Principles for Responsible Investment (CNPRI), the United Nations Principles for Responsible Investment (UNPRI) and other relevant laws and regulations and industry self-regulatory rules (the "Responsible Investment Guidelines") in order to improve the environmental performance of the corporate investment activities and promote sustainable green economic growth.³ These Responsible Investment Guidelines applied to the corporate asset management, equity investments, fixed income investments, equity pledges and agreed repurchases, alternative investments, privately offered funds and other businesses.

Enhance impact and follow through on responsible investment

Responsible investment policies
and commitment

Responsible investment strategies
and practices

³ Linkage to the Guoyuan Securities Responsible Investment Guidelines <http://www.gyzq.com.cn/upload/20211216/20211216102240947.pdf>

Responsible investment policy and commitment

Guoyuan Securities joined the UN Supported Principles for Responsible Investment (PRI) in September 2021, committing to conduct its business by upholding the six principles of responsible investment, building an ESG investment and research system, and actively practicing ESG investment through a combination of investment strategies. Considering post-investment ESG risk management as an important part of its overall risk assessment process, the Company continuously monitored the ESG risks of the portfolio, including environmental compliance, labor rights, tax compliance, corporate governance, corruption and unethical business practices.

The Company supported green transformation enterprises that actively responded to climate change, biodiversity conservation, energy transformation, sustainable forestry, sustainable agriculture, and sustainable mining during its investment and financing as well as credit processes.

Basic objectives of the corporate responsible investment

Promote the development of green industry

Invest assets in priority in companies and industries that directly or indirectly generate environmental benefits, develop energy conservation and environmental protection industry chains, and promote clean energy development and use, energy conservation and environmental protection investment and environmental standards improvement.

Promote environmental friendliness and sustainable development

Invest assets in priority in companies and industries with renewable energy and resource recycling, and guide the positive transformation of the industrial structure toward sustainable development.

Promote efficient and low-carbon development

Reasonably control the carbon emission level of the corporate assets and prioritize investment in companies and industries that use energy more efficiently and have lower emission levels

Promote ESG disclosure

Promote the invested companies to focus on ESG performance and improve ESG information disclosure through the rights as an investor.

Responsible investment strategies and practices

The Company developed its investment strategies with reference to the seven ESG investment methodologies developed by the Global Sustainable Investment Alliance (GSIA), incorporating ESG factors including climate into its investment portfolio to select investment targets that met its objectives and principles of responsible investment. In practice, the Company changed its investment strategy from traditional passive investment into the strategy with active investment as the core and passive investment as the supplementation, with the goal of promoting sustainable development and global economic prosperity.

Investment Strategy	Specific measures and practices
Integration of ESG factors	<p>The Company set about to revise investment-related regulation documents, such as the Stock Pooling System and Regulations on Business Admission of the Stock Pledge and Agreed Repurchase, to integrate ESG factors into all of its businesses.</p> <p>The Company incorporated ESG factors into its due diligence evaluation form to conduct a comprehensive environmental, social and governance assessment of the investment target.</p> <p>The investment analysis was carried out with Wind ESG rating system during the investment For enterprises in the corporate core equity pool that were included in the ESG assessment, investment would be considered in priority if their ESG was adjusted upward and investment would be considered prudently if their ESG was adjusted downward.</p> <p>The conversion rate was linked with ESG factors during the securities margin trading.</p>
Sustainable theme investment	<p>Investment was made in priority in companies and industries that directly or indirectly generated environmental benefits, so as to develop the energy conservation and environmental protection industry chain, promote development and utilization of clean energy, and improve the energy conservation and environmental protection investment and environmental standards.</p> <p>Investment was made in priority in companies and industries of renewable energy and resource recycling.</p> <p>The Rural Revitalization Fund of Lixin County managed by the Company helped sustainable agriculture development in 2021.</p>
Corporate engagement / shareholder action	<p>For all the companies in which the Company held equity, we prompted corporate governance through the exercise of shareholder power and required such companies for environmental information disclosure through assigning directors and supervisors and taking other measures Promote invested companies to focus on climate change-related performance, perfect disclosure of carbon emission information, including carbon reduction process and targets.</p>
Impact/Community investment	<p>We actively participated in the investment of urban investment and construction bonds for precise poverty alleviation and rural revitalization.</p>
Criteria-based screening	<p>Based on the requirements of regulatory bodies, the Company evaluated the social performance of the invested with social responsibility standards such as SA8000, ISO45001, BSCI and SLCP and evaluated their environmental performance with ISO14001.</p> <p>Investment was made in priority in enterprises with sound environmental, occupational health and social responsibility management systems.</p>
Positive screening method	<p>The Company has established a black list and white list system and the investment targets were evaluated and scored by two rounds: with Moody's quantitative assessment model and by internal credit assessors, in order to ensure that they met the corporate requirements.</p> <p>Investment was made in priority in enterprises and projects that were above the industry standard, that made significant contributions to reducing the overall energy consumption of the industry and fulfilling environmental responsibilities or that were recognized by the competent departments as green investment targets.</p>
Negative elimination method	<p>The Company had in place its black-list and white-list system to prohibit investment in high-pollution enterprises and restrict investment in high energy consumption enterprises.</p>



The Company followed the ten principles of the UN Global Compact and responded positively to the United Nations Sustainable Development Goals. Relying on its ESG development strategy, the Company developed its talent development strategy and objectives in 2021, defining talent development as its core ESG issue, and the Board of Directors was responsible for decisions and results of talent management.

In the future, the Company will focus on building a diverse and inclusive workplace, providing more equal training and promotion opportunities for employees, offering competitive salaries for employees, strengthening the workplace competitiveness for female employees, and encouraging more women to become leaders. We have gradually built a team of highly dedicated professionals with an international perspective in these ways to help employees grow and gain a sense of accomplishment.

Codes of conduct and ethics for employees of Guoyuan Securities

- ▶ Integrity practice and compliance
- ▶ Zero tolerance for corruption
- ▶ No discrimination, no abuse
- ▶ Prohibit forced labor
- ▶ Prohibit sexual harassment in the workplace
- ▶ Respect employees' freedom of association and freedom of expression

Make employees achieve their goals and promote talent development

Diversity, equality and inclusion

Talent development

Corporate culture building

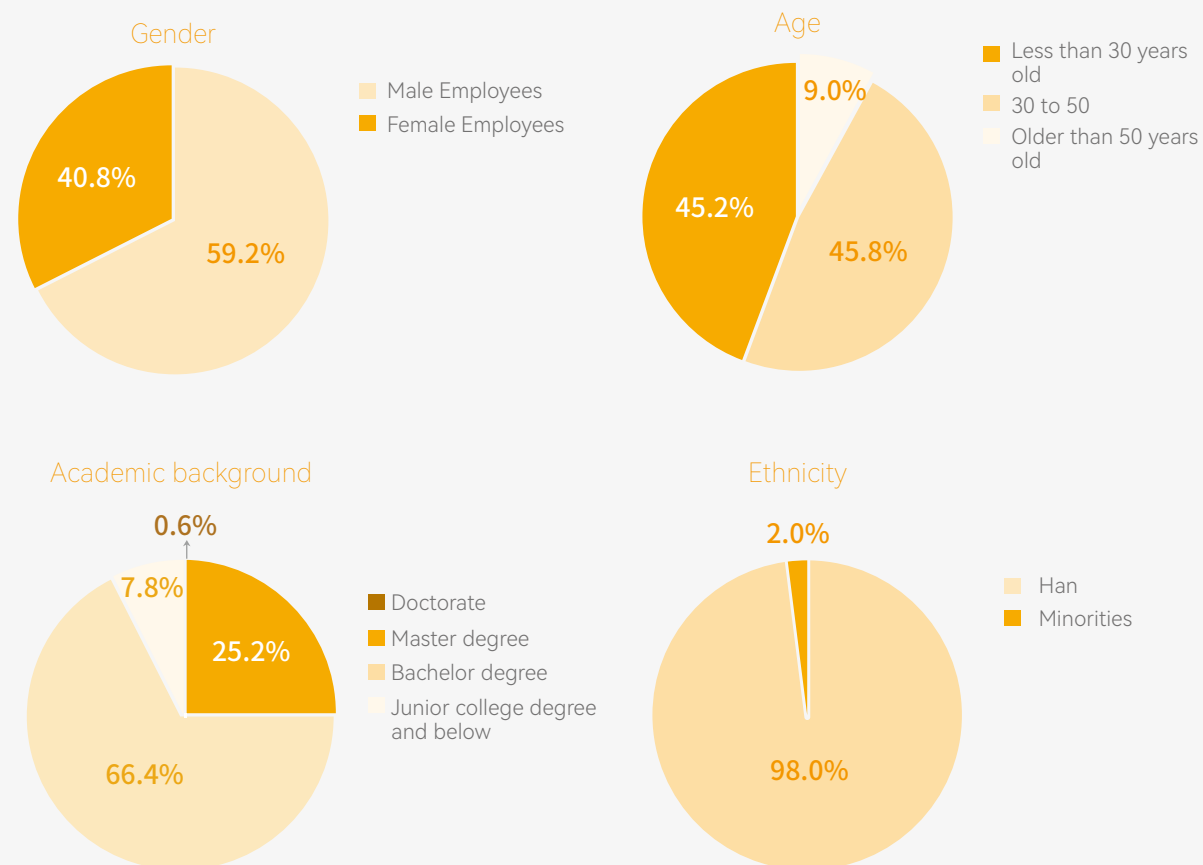
Diversity, Equality and Inclusion

We believed in the importance of talent diversity to the sustainable development of the Company and restrained from discrimination on the basis of gender, age, race, international, marital and family status, health status, religion and others. We opposed any discrimination in employment practices, and gave equal opportunity to interview the applicants as long as their qualifications meet the appropriate job requirements. During the reporting period, there were no incidents related to discrimination, use of child labor, forced and compulsory labor, or violation of the right to freedom of association, or other violations of law.

The Company organized 20 recruiting sessions and recruited 130 people from outside in 2021. Among them, we have introduced more than 40 high-end talents such as branch heads, investment bank backbone officers, lead researchers of research institutes, research sales and investment managers.

As of the end of the reporting period, the Company had 3,688 employees and 130 dispatched workers. Among the regular employees, 59.2% were male and 40.8% were female; 45.8% were under 30 years old, 45.2% were between 30 and 50 years old, and 9% were over 50 years old; 74 were ethnic minority employees in total, accounting for 2.0%.

Total number of employees in 2021



Employment and turnover of the corporate employees from 2019 to 2021

Number of new employees	2021	2020	2019
Number of male employees	202	171	93
Number of female employees	112	158	99
Number of employees younger than 30 years old	180	199	119
Number of employees between 30 to 50 years old	133	126	71
Number of employees older than 50 years old	2	4	2
Number of the seperated employees	2021	2020	2019
Number of male employees	88	112	135
Number of female employees	67	74	71
Number of employees younger than 30 years old	42	67	79
Number of employees between 30 to 50 years old	87	107	111
Number of employees older than 50 years old	26	12	16
Hiring rate	2021	2020	2019
Employee hiring rate	8.5%	9.1%	5.5%
Turnover rate	2021	2020	2019
Employee turnover rate	4.2%	5.1%	5.9%

In 2021, the company organized recruitment

20 sessions

Recruiting from outside

174 people

The introduction of "branch heads, investment banking core backbone, research institute chief researcher, research sales, investment managers" and other high-end talents

40 people

The total number of new employees

315

Total leaving employees

155

Hiring rate

8.5 %

Turnover rate

4.2 %

Employee career development

Considering the growth of employees as an important foundation for the development of the Company, we are committed to creating a fair, just and inclusive working environment for our employees, respecting the basic rights and interests of every employee, strengthening the attraction of talents and the improvement of comprehensive quality, and protecting the health of our employees. We helped our employees' career development by continuously improving our talent management and cultivation system. The Company actively interacted with external parties and took the initiative to broaden the way of talent selection and recruitment in an all-round and multi-dimensional manner to reserve a high-quality talent pool for its development.

On the premise of improving the implementation of the MD grade system in 2020, and in 2021, we revised the Management Measures on MD Grades, further optimizing the posting conditions and promotion methods for each grade, optimizing the rules for grade adjustment for management officers, and introducing the posting qualifications for higher grades for investment banking officers, so as to better show the system vitality based on "individual ability and performance".

We strengthened construction of the talent echelon, focusing on promoting young backbone employees, cultivating reserve cadres, and providing equal career promotion opportunities for employees. We organized 8 internal competitive recruitment sessions during the reporting period to select young key employees with both integrity and ability and outstanding performance to enter management positions. 21 officers under the age of 40 were selected, 10 assistant managers were selected, 21 middle officers were promoted rotations and exchanges, and 2 party cadres and business cadres exchanged positions throughout the year.

Incentive and assessment mechanism

The MD grade management system was further improved to maintain the stability of talents through grade promotion and salary adjustment in 2021. The Company made salary adjustment for the first time in accordance with the MD ranking system and salary system, adjusting salaries upward for 490 employees in light of the assessment results, greatly stimulating the dedication of the corporate employees

We prepared and released the "Management Measures for Scientific and Technical Talents" in 2021 to provide an objective basis for fair and scientific assessment of professional talents in light of the corporate talent development strategy and the advice provided by McKinsey & Company. As of the end of the reporting period, all departments have set scientific and reasonable appraisal targets and 100% of employees were included in such performance appraisal mechanism. Employees rated as Grade A (the highest level) in the annual employee appraisal increased from 15% to 20% to better motivate employees and give them a sense of accomplishment and recognition.

Talent development

Believing that talent as the driving force behind its continuous development, the Company was continuously committed to talent discovery, training and retention. This allowed employees to develop their own strengths, showed their abilities and grew together with the Company. In order to help employees expand their career development, the Company continuously improved the "Training Management Measures of Guoyuan Securities Co., Ltd.".

The Company has created and maintained the official WeChat account "Guoyuan Academy", launched the "Guoyuan E Learning" course, and held the "Micro Course Competition". The online platform provided high-quality educational resources and also provided opportunities for all departments to share their advanced work experience and realize the common growth of all employees through a series of interesting training courses.

We offer tailored, tiered training to ensure that employees could receive the training that matched their development path.



Young talent cultivation

Young talents are the backbone of Guoyuan Securities, and the Company has been always committed to the cultivation of young talents. In 2021, we assigned mentors to more than 170 people, selected a number of outstanding young backbone officers as general managers and assistant general managers of business departments at branches, and arranged for new employees at Headquarters to work and grow on the front line of operation in phases.

With management capability as the core, we cooperated with the International Institution of Finance of University of Science and Technology of China in leadership training, with a total of 222 training sessions during the reporting period, basically covering the entire positions of middle-level heads. Special training was organized for new employees and young backbone officers respectively. We conducted training such as "Guoyuan Elite Talent Program and Investment Advisor Road Show Skills" and formed an exclusive business-based training system.

Internal live streaming of sharing training "Passing on the Fire, Sharing Knowledge"

We carried out the internal live streaming sharing training "Passing on the Fire, Sharing Knowledge", inviting the Securities and Finance Department to share and answer the credit business issues of concern to the branches with the whole company through live video streaming, which was attended by a total of 465 employees.

Total training
222 people



Professional competence enhancement training

In order to conscientiously implement the corporate strategic plan of talent development, accelerate the training and use of talent, we established and improved the talent training mechanism, developed the effective talent training and development plan to reasonably discover, cultivate and train the corporate strategic reserve talent team. The Company launched the Elite Talent Program to provide assistance during the reporting period to assist team in building the marketing service personnel for branches. The Company provided primary, intermediate and general courses according to the professional knowledge ability of marketing service personnel in each branch. In addition, the newly recruited marketing service employees were required to complete the "primary" course on marketing skills and the "general" course on company business processes within one month. We also provide each new employee with a 1-to-1 mentor to guide their work and care for their life.

In order to improve the employees' business ability, the Company prepared "Service Manual for Institutional Customers" and gave tour training in three regions, namely, Southern Anhui, Northern Anhui, Hubei and Hunan and Jiangxi, which was attended by over 200 people.

"Training courses of "Guoyuan Elite Talent Program"

The Company divided the training content into primary, intermediate and general levels according to the different training targets. Employees selected "primary" or "intermediate" courses based on their mastery of professional knowledge and skills and each was required to select the company "general" courses, and the Company set different basic training hours to ensure the relevance and compliance of training. High quality business talents were recruited, trained, managed, assessed and introduced constantly to strengthen the professional capacity of the team. The training departments mainly included Operation Headquarters, OTC Business Department, Financial Products Department, Network Finance Department, Securities Finance Department, Compliance and Legal Department, etc. with training hours per capita exceeding 32.3 hours.



Employee engagement

In 2021, the Company conducted the investigation on work environment and employee dedication, which showed that the corporate employees had an average dedication of 4.25 points, a higher level in the industry.

Wu Jun, a financial leading talent

In the selection of the seventh batch of provincial "special support plan" and the thirteenth batch of provincial "115" industrial innovation team organized by the Organization Department of Anhui Provincial Party Committee Mr. Wu Jun was successfully elected as "financial leading talent" in the selection of the seventh batch of provincial "Special Support Program" and the thirteenth batch of provincial "115" industrial innovation team organized by the Organization Department of the CPC Anhui Provincial Committee.



Construction of enterprise culture

Guoyuan Securities Culture and Art Lecture Hall

The company and the labor union have joined hands with the Anhui Federation of Literary Societies to launch the high-quality "Guoyuan Securities Culture and Art Lecture" series of public welfare lectures, with a total of over 10,000 viewers in ten lectures online, which is unique in the industry.

国元证券 2020 文化艺术大讲堂	
时间表	
第一讲 《艺术的境界与境界的拓展》 陈元海 9月9日下午15:30 (周五)	第二讲 《创作·欣赏·传播》 陈元海 9月23日下午15:30 (周五)
第三讲 《从生活走向艺术——文学创作的几个问题》 高翔 9月30日下午15:30 (周五)	第四讲 《从生活走向艺术——文学创作的几个问题》 高翔 10月7日下午15:30 (周五)
第五讲 《音乐欣赏——从聆听开始》 陈元海 9月16日下午15:30 (周五)	第六讲 《关于书法学习的若干问题》 陈元海 9月24日下午15:30 (周五)
第七讲 《中国书画的审美与创作》 陈元海 9月30日下午15:30 (周五)	第八讲 《中国书画的审美与创作》 陈元海 10月7日下午15:30 (周五)
第九讲 《书画鉴赏与收藏》 陈元海 10月14日下午15:30 (周五)	第十讲 《书画鉴赏与收藏》 陈元海 10月21日下午15:30 (周五)
主会场：国元证券投资者教育基地 分会场：国元大厦三楼阶梯教室	

2021 is a great year for the construction of company culture. In accordance with the requirements of regulatory agencies and the China Securities Association, the company has achieved remarkable results in cultural brand building and practice under the guidance of the "ten elements" of culture. The company newly released the "Guoyuan Securities Cultural Construction Evaluation Measures" and "Guoyuan Securities Cultural Construction Work Plan for the Second Half of 2021" to organize the company's cultural construction work. In the practical evaluation, it was awarded a Class A rating, and further improved the responsibility system and organizational guarantee for cultural construction, improved the inter-departmental linkage and coordination mechanism, and formed a new situation of joint management, coordinated promotion, and full participation of all staff. Through system construction and the implementation of key tasks, the industry values of "compliance, integrity, professionalism, and stability" have been fully integrated into corporate governance, development strategies, development methods and the entire process of operation and management. Culture has become the deep driving force for the company's high-quality development. The company creatively carried out cultural practice activities with Guoyuan characteristics, and the 20th anniversary celebration was successfully completed. Various special cultural activities such as Yuan Securities Cup "National Photography Contest and Guoyuan Securities Culture and Art Lecture Hall have been vigorously carried out, which has effectively enhanced the influence of the company's cultural brand. In addition, the company has built a complete ESG (environment, society, governance) governance structure and governance. Mechanism to promote the sustainable development of the company. Strengthen the research of cultural theory and actively participate in the formulation of industry cultural construction standards by the China Securities Association, which has been commended by the China Securities Association and recognized by peers.



Team building activities of Team Building, Self-Improvement, Unity and Pursuit of Excellence - 2020 for Your Participation





Low-carbon development towards net-zero emissions

Climate
governance

Climate
strategy

Climate impact
investment

Climate Governance

Governance structure

Climate change is an increasingly serious global challenge and requires collaborative efforts at all levels and in all countries to transform into the low-carbon economy for the solution. Guoyuan Securities recognizes that the issue of climate change is already affecting the global economies and communities, and that enterprises must take responsibility and actively participate in climate change mitigation with the power of finance. Guoyuan Securities will make unremitting efforts to explore a carbon neutrality path that can be achieved at the level of its own operations, and can reduce its own carbon footprint in its investment and financing activities and promote other industries in low-carbon development through various green financial businesses.

The Company has established a Strategy and Sustainable Development Committee at the Board level with overall responsibility for monitoring, assessing and managing the risks and opportunities associated with climate change and integrating carbon neutrality into the overall corporate strategy. The ESG Committee and ESG Working Group were set up under the Strategy and Sustainable Development Committee as the overall management and executive level, respectively, and include consideration of climate changerelated risks and opportunities in the specific implementation of ESG work.

Energy management

Energy consumption by source						
	2021	2020	2019	2018	2017	Unit
Diesel	1816.00	1033.00	2348.00	8245.00	2537.00	L
	66.44	37.80	85.91	301.67	92.83	GJ
Petrol	225450.90	240758.18	236866.00	423862.60	472764.96	L
	7827.66	8359.12	8223.99	14716.51	16414.40	GJ
Natural gas	121249.89	150513.37	196312.34	209881.83	198782.43	m³
	4720.26	5859.49	7642.44	8170.70	7738.60	GJ
Liquefied petroleum gas(LPG)	0.97	0.99	0.95	0.92	0.88	tons
	45.88	46.83	44.94	43.52	41.62	GJ
Purchased electricity	16362.35	15940.35	17215.85	18236.93	18178.46	MWH
	58935.62	57415.62	62009.84	65687.68	65477.08	GJ
Purchased heat	672907.31	596065.35	642126.92	616513.76	498000.95	GJ
Total energy consumption	744503.17	667784.21	720134.04	705433.84	587765.48	GJ

*During the reporting period, the company retrospectively reviewed energy data while sorting out carbon emissions calculations for branches and business outlets within the scope of disclosure. The main reasons for the differences in data from previous years are as follows:
1. In the statistics of previous years, branches and business outlets were not included, which are revised and supplemented this year.
2. We sorted out and supplemented some energy consumption that was not included in the past statistics.

Greenhouse gas emissions within the organization							
Scope	Source	2021	2020	2019	2018	2017	Unit
Scope 1	Diesel	4.93	2.80	6.37	22.37	6.88	tCO ₂ e
	Petrol	542.46	579.29	569.92	1019.85	1137.52	tCO ₂ e
	Natural gas	264.81	328.73	428.75	458.39	434.15	tCO ₂ e
	Liquefied petroleum gas(LPG)	3.01	3.07	2.95	2.85	2.73	tCO ₂ e
Scope 2	Purchased electricity	13162.30	12833.99	13870.64	14703.33	14692.81	tCO ₂ e
	Purchased heat	31912.63	28268.40	30452.87	29238.17	23617.70	tCO ₂ e
Total emissions ⁴		45074.93	41102.39	44323.51	43941.50	38310.51	tCO ₂ e

The company’s energy intensity is 201.87 GJ/employee in 2021. The greenhouse gas emissions intensity is 12.2 tCO₂e/employee in 2021.

⁴ Greenhouse gas emissions include direct greenhouse gas emissions from gasoline consumption, diesel consumption, natural gas consumption and LPG consumption of the corporate self-own vehicles, and indirect greenhouse gas emissions from purchased electricity and heat, excluding greenhouse gas emissions in Scope III. The calculation method refers to the “Greenhouse Gas Emissions Accounting Methodology and Reporting Guidelines for Public Building Operators” and the “Average CO2 Emission Factors of China Regional Grid in 2011 and 2012”

Climate strategy

Guoyuan Securities supported the Paris Agreement and the national "carbon peak and carbon neutrality" target, practiced the concept of sustainable development, formulated the "Guoyuan Securities Action Plan for "Carbon Peak and Carbon Neutrality", carried out a group-wide carbon inventory, and set short, medium and long-term emissions reduction targets and action plans based on the inventory results. In 2021 we formally became a supporting organization of the Task Force on Climate Related Financial Disclosures, or TCFD, and will be disclosing our progress regularly and transparently in the future, in accordance with the TCFD guidelines.

Climate strategy

We actively carry out climate risk analysis, use our influence to promote greenhouse gas emissions reduction in financial activities, actively respond to climate change, and strive to protect the natural environment.

Objectives

- 1. Reduce greenhouse gas emission per capita by 5% per year.
- 2. Achieve carbon neutrality within the organization by 2040.
- 3. Organize annual education and training programs on response to climate change to investors .

Short term actions

- 1. Optimize operational energy efficiency. We will select energy-saving technologies to optimize the efficiency of power usage in the data center to enhance the energy efficiency of internal operations; upgrade the energy efficiency of buildings and carry out green building related certification through the energy management system and lighting transformation system; and vigorously implement intelligent business to reduce the carbon footprint of products and promote digital transformation through high-quality online services.
- 2. Promote green working styles. We will strengthen internal and external communication and cooperation, promote the concept of sustainable development, advocate energy-saving actions, reduce unnecessary travel and improve the use efficiency of paper materials, and enhance the intensification, automation and shared coverage of management work.
- 3. Launch products and services that can help other industries de-carbonize. We will incorporate carbon impact into the investment decision system and continuously increase the supply of financial products with themes of ESG and carbon neutrality; establish the financial product creation, introduction and sales system that is oriented to carbon neutrality to better meet customers' demands for green investment.

Mid-term actions

- 1. All new buildings will be designed based on the green building standards.
- 2. Increase the use of renewable energy in business operations by deploying onsite photovoltaic system or purchasing green power and other means.
- 3. Assist the value chain to de-carbonize. Low-carbon products will be adopted in priority, which will require key suppliers to assess their carbon footprints and work out training and incentive programs to promote energy saving and carbon reduction in their supply chains; require invested companies to set emission reduction targets and regularly disclose their reduction process.
- 4. Launch products and services that can help other industries de-carbonize. We will gradually set about for the carbon finance and trading business at home and abroad, provide cross-border green equity investment and asset management services, and enhance the pricing influence on global carbon market transactions; strengthen industrial research in green and low-carbon fields, establish a set of low-carbon assessment frameworks applicable to different products, and assist customers who fail to meet the assessment requirements in improvement measures; vigorously develop green financial solutions to support the financing and M&A needs in exit, transformation and upgrading of high-carbon industries and other processes, and promote the process of carbon neutrality.

Long-term actions

Assist the value chain to decarbonize. We will pay close attention to the carbon impact from the supply chain, formulate the carbon performance evaluation standards for the supply chain and apply them to each business unit; work out systematic methods to track and evaluate the invested projects, provide technical support when necessary; reduce the carbon emissions of the invested projects; and achieve de-carbonization of the value chain through portfolio management.

Climate impact investment

Recognizing the important impact of the financial services industry on the achievement of global carbon neutrality, Guoyuan Securities drew on its investment influence to develop green financial products and green investment funds, encouraged the transition of the companies to a low-carbon business model, help customers purchase low-carbon financial products, invest in renewable energy and other carbon reduction projects, and impose financing restrictions on projects that fail to meet emission standards or the carbon neutrality targets set out in the Paris Agreement.

The departments and subsidiaries responsible for climate impact investments include the Equity Investment Department, Fixed Income Department, Customer Asset Management Headquarters, Securities Finance Department, Equity Management Department and Guoyuan Innovation Investment Co., Ltd. The responsible departments and subsidiaries incorporated climate impact factors in their management of different categories of assets in accordance with the Guoyuan Securities Responsible Investment Guidelines and the climate change-related guidelines in each department's internal investment system.

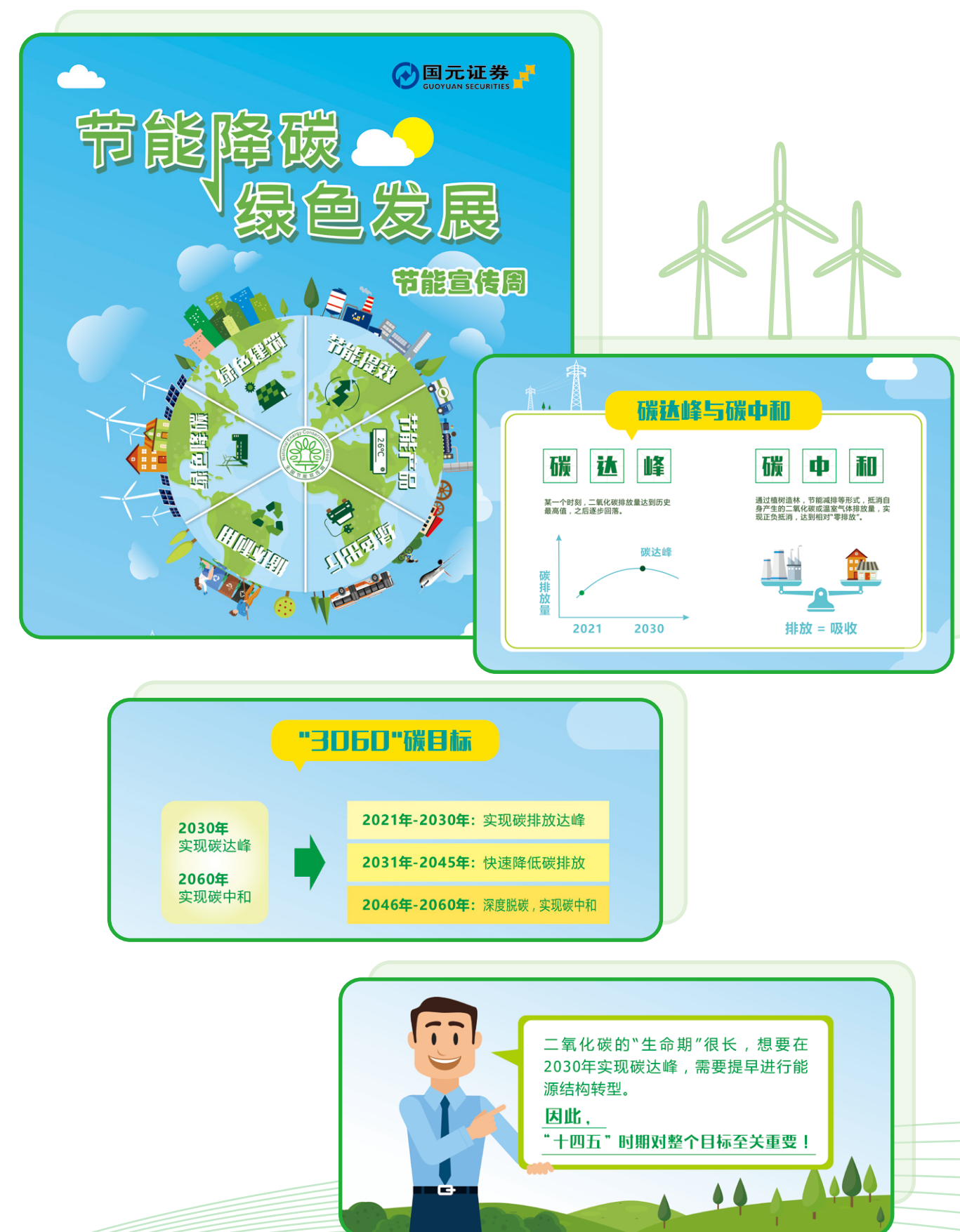
In 2021, the company's new financing through stock pledge business serving clean energy accounted for 13.48%; the cumulative financing through stock pledge business serving clean energy accounted for 5.53%. Stock fund investment in new energy related enterprises had market value of 650 million yuan, accounting for 40% of the amount of active equity positions; new energy funds accounted for nearly 30% in market-making business inventory, we will continue to increase the reserves of new energy related industry stocks in future. In addition, we currently hold seven green bonds with a total quota of 620 million yuan. For business related with direct equity investment, we exercise our influence to require the invested company to undertake regular carbon reduction processes, set specific reduction targets, and mitigate climate impacts through portfolio management based on our sector research teams.

Green finance

Guoyuan Securities continued to deploy in clean energy and environmental protection projects to direct social capital flow to green industries and promote the development of green economy. Public offering and listing on Star Market of stocks by JEE Technology Co., Ltd., which was sponsored by Guoyuan Securities, was successfully deliberated at the 42 approval session of 2021 by the Science and Technology Innovation Board Listing Committee of Shanghai Stock Exchange on June 25, 2021. JEE Technology is a major supplier of intelligent equipment integrated solutions and core components for new energy vehicles in China's automotive and other advanced manufacturing industries, and is committed to building itself into an internationally competitive industry leader around the intelligence, electrification and connection of the automotive industry.

Green bonds

Guoyuan Securities invested in 21 Wuhan Metro Green Bond 02 (2180195) with a total investment of 100 million yuan in May 2021. The funds raised from this green bond were mainly used for the first section of Phase III of Wuchang Section Project of Wuhan Metro Line 11, East Section Project (Guanggu Railway Station - Zuoling) of Wuhan Metro Line 11, Phase II Project of Wuhan Metro Line 6, etc. Investing in green bonds of rail transit is in line with the national green industry investment policy, and may guide the public to actively use rail transit for green travel, reduce the use of private cars, reduce carbon emissions in the transportation, and indirectly restrain automobile exhaust emissions by building a convenient and well-developed rail transit network.





The Company promoted the concept of green operation, improved the efficiency of resource use, reduced the pollutant emission and the negative impact of various business activities on the environment.

Resource conservation and protection of natural ecology

Water resources
management

Green
operation

Water resources management

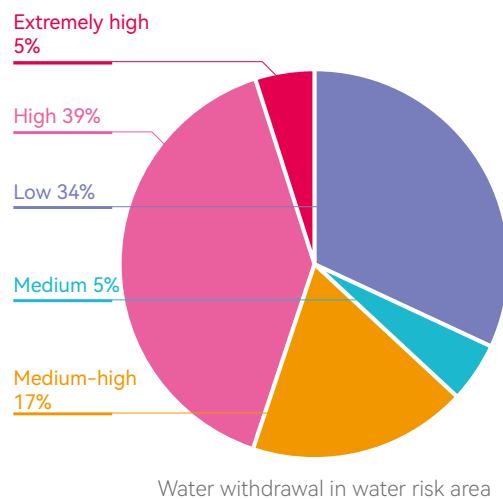
Our water withdrawal is mainly sourced from municipal water supply, barrel/bottled water (as drinking water), and water is consumed mainly at the offices during our daily operation. We used Aqueduct™ Tools, a tool developed by the World Resource Initiative (WRI), to assess annual overall water risks at all our operating sites, taking into comprehensive consideration of physical risk to local water resources (e.g., baseline water stress, meteorological hazard impacts), the quality of physical risk (water quality impacts), and regulatory and reputational risks. The assessment showed that 29.3% of the corporate operating sites were within high water risk areas and 9.8% were within extremely high water risk areas.

The Company advocated water conservation, using water-saving sanitary ware and automatic sensor faucets; conducting regular overhauling on water-using equipment to prevent leakage and dripping; making full use of the rainwater harvesting systems for irrigation and greening; encouraging employees to conserve water to avoid wasting water resources. In 2021, the total amount of water withdrawn in the whole company is 52011.07 tons and water intensity per unit area is 0.32 tons.

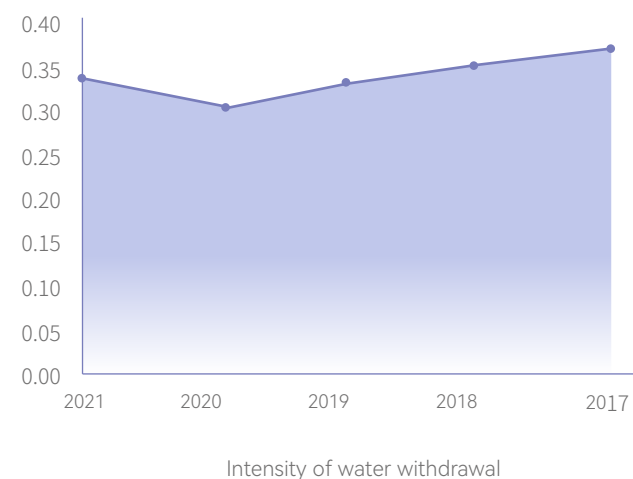
Classification and the intensity of water withdrawal by the water risk level

Water risk level at the operating site ⁵	2021	2020	2019	2018	2017	Units
Low	17907.23	18543.51	21743.38	27262.05	29396.48	tons
Medium	2373.00	2615.00	2376.40	2161.80	2671.60	tons
Medium-high	9138.71	7957.68	8300.56	8721.13	9651.93	tons
High	20510.84	11671.05	13895.73	13726.36	13804.98	tons
Extremely high	2467.09	3331.60	5648.13	5463.12	6026.00	tons
Total water withdrawal	54417.87	46138.84	53983.20	59352.46	63567.99	tons
Business area	170061.51	169695.13	173263.37	174572.20	172551.71	m ²
Water withdrawal per unit area	0.32	0.27	0.31	0.34	0.37	Ton/m ²

Water withdrawal in 2021
(by water risk level)



Water withdrawal per unit area



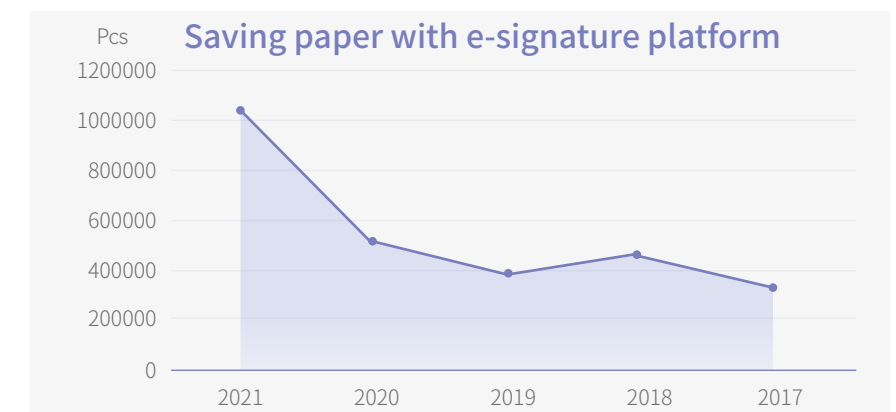
⁵ Water risk level classification: Low (L0-1), medium (LM1-2), medium-high (MH2-3), high (H3-4), extremely high (EH4-5)

Green operations

During the reporting period, the Company adopted an intelligent data management system to collect and manage environmental data from its headquarters as well as all business departments, successfully integrating environmental data into its ERP system management. By adopting the intelligent data management system, it ensured that the data of environmental targets and indicators were accurate and traceable in all business departments, which served as quantitative management basis for the corporate greenhouse gas inventory, energy conservation and emission reduction, and drove the corporate environmental data management to a higher level. During the reporting period, 100% of the operating sites submitted environmental data through the system.

Paper Management

In order to reduce the resource consumption, Guoyuan advocated the use of e-mail to send and receive information and strove for paperless office work; advocated double-sided printing/use and eliminated paper waste. With the e-signature platform, we saved approximately 1,046,000 sheets of paper in 2021, up to 101.9% year-on-year in savings.



Waste management

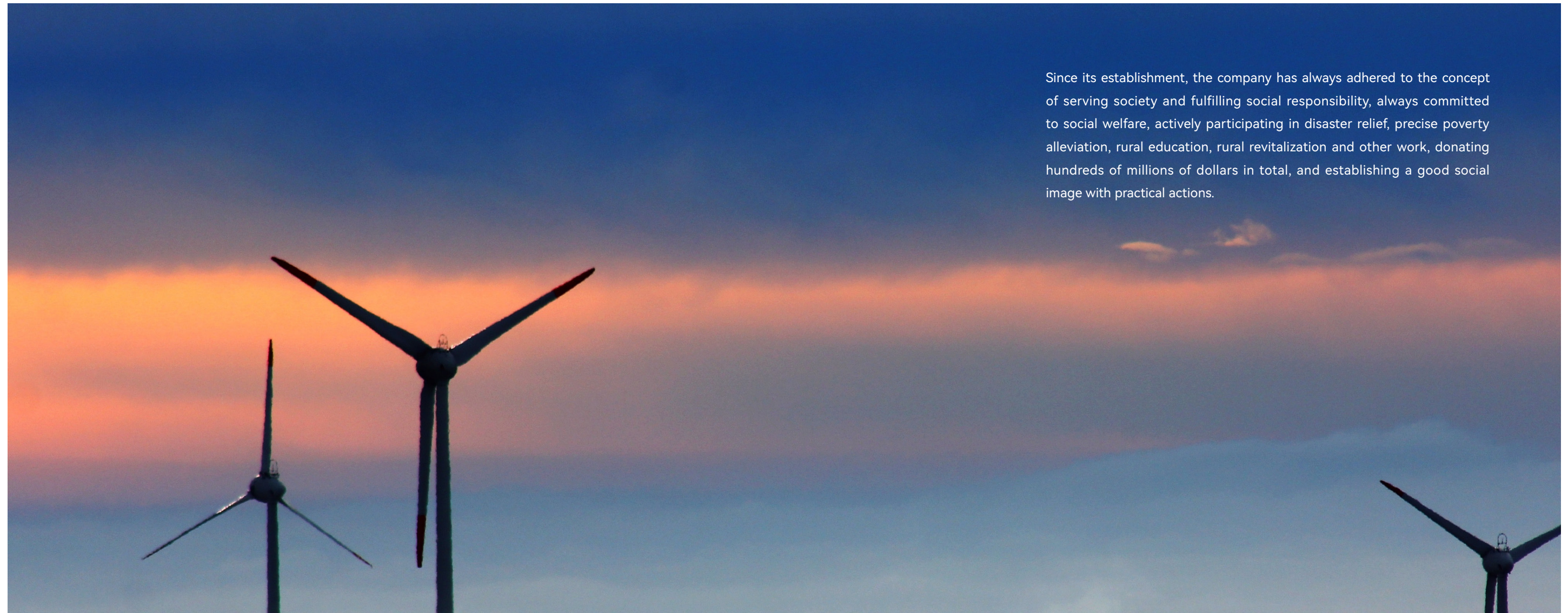
The corporate solid waste mainly includes domestic waste and waste from daily offices. We implemented the "Hefei Municipal Management Regulations on Household Waste Classification" to classify household waste, posting waste classification posters at public places, separating and disposing of food waste in canteens, etc., and promoting the concept and practice of waste classification to employees. In addition, we promoted food conservation and controlled the production of food waste. Non-hazardous office waste as well as domestic waste were handled by the property management company of the office building.

The hazardous waste involved in the corporate daily office operations mainly included waste ink cartridges, waste toner cartridges, waste fluorescent tubes and waste electronic products (such as waste lead-acid batteries). Toxic and hazardous wastes were recycled or disposed of by qualified third parties.

Solid waste generation volume

Solid waste types	2021	2020	2019	2018	2017	Units
Domestic waste	1543.37	192.05	199.67	209.84	196.11	tons
Waste cartridges	807	837	1116	1120	853	Pcs
Waste toner cartridges	2130	2069	2068	1956	1832	Pcs
Waste fluorescent lamp	1715	1228	1433	1500	1646	Pcs
Waste electronic products	1791	1290	1544	1365	735	Pcs

Note: The generation volume of solid waste increased compared to the previous years due to the enhanced data management in 2021, where the data from all business departments and subsidiaries were included in the scope of disclosure.



Since its establishment, the company has always adhered to the concept of serving society and fulfilling social responsibility, always committed to social welfare, actively participating in disaster relief, precise poverty alleviation, rural education, rural revitalization and other work, donating hundreds of millions of dollars in total, and establishing a good social image with practical actions.

Contribute to society and promote global common prosperity

Financial inclusion for
common wealth



Partner support to
help rural revitalization



Public welfare donations to
benefit the public



Inclusive finance for common prosperity

With customers centered, the Company offered wealth management products to customers and sold 35.2 billion yuan of various financial products during the reporting period to meet the diversified investment needs of customers and promote common prosperity.

The Company recommended 237 SMEs to get listed in the regional market, and a total of more than 2,300 enterprises accumulatively to get listed throughout the year, with a total of more than 5 billion yuan of financing for listed SMEs, helping to lay a solid industrial foundation for common prosperity.

Partner-based support to help rural revitalization

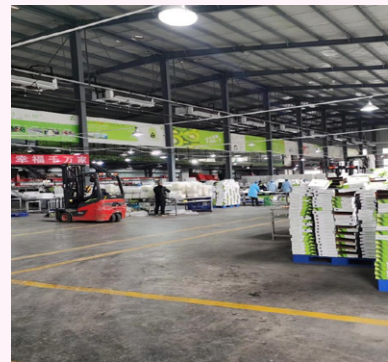
In 2021, the first year of rural revitalization, the company continues to take "one division and one county" as the main battlefield, carrying out activities to help students, the elderly, the disabled, doctors and the poor, and promoting the common prosperity of farmers and rural areas. The company donated RMB 2 million to the twinning areas such as Taihu County, Anqing City, Yuexi County, Huainan City, and Yu'an District, Lu'an City, for the construction of beautiful villages, improvement of living facilities in homes for the elderly, construction of drainage networks in residential areas, and construction of village roads and lanes.

The company donated 300 sets (RMB 88500) of safety protection school bags to elementary school through Anhui Red Cross Foundation in Tibetan minority areas and elementary school in villages targeted by the company, aiming to reduce traffic accidents and accidental injuries among children and adolescents, guard the safety of children on their way to school, and improve the safety quality and self-rescue ability of children and adolescents.

Public welfare donations to benefit the public

In 2021, the Company donated 3.1 million yuan of Guoyuan Securities Scholarship and Grant to 10 universities, including University of Science and Technology of China, Hefei University of Technology and Anhui University, and 400,000 yuan of "Guoyuan Securities Scholarship for Financial Practice Education" to Anqing Normal University and West Anhui University.

The Company cooperated deeply with two national publicly offered 5A foundations, China Guanghua Science and Technology Foundation and China Youth Development Foundation, and made a donation of nearly 500,000 yuan in 2021 to build a "children's harbor" for "left-behind children" and add bricks and tiles for the "Hope Project".



Community contribution: Xiuwen County

New financing funds invested in infrastructure construction through repurchase agreements accounted for 22.93% and accumulative financing funds invested in infrastructure construction through repurchase agreements was 38.97% in 2021.

Guoyuan Securities financed Guizhou Xiuwen County State-owned Assets Investment and Management Co., Ltd. through repurchase agreements in December 2021. The funds were used for the construction of the kiwifruit industrial park in Xiuwen County, contributing to the high-quality development of the county's agricultural industrialization.

Donation to Snow Lotus Charity Foundation

In April 2021, the investment banking team of Guoyuan Securities went to Changyuan Primary School in Wujia Town, Jinzhai County for "Snow Lotus Charity Foundation" donation activity. The "Snow Lotus Charity Foundation" is a public welfare fund established in 2012 by all employees of the Investment Bank Headquarters with their contributions. Such donation to Changyuan Primary School aimed to help the school in the old revolutionary area improve its teaching environment, increase some teaching equipment, help the children in the old area learn better in a beautiful campus, and contribute Guoyuan's strength to the education in the Dabie Mountain area. "Snow Lotus Charity Foundation" donated 200,000 yuan to Changyuan Primary School in Wujia Town, Jinzhai County and 66,000 yuan to orphans of Yiliwang Village in Yangtong Town, Lingbi County, Suzhou City, Anhui Province.



Guoyuan Futures Helps Flood Relief in Henan

In 2021, heavy rainfall in Henan Province caused flooding. After the disaster, Guoyuan Futures made the donation under the theme of "Guoyuan Contributes, Helps Henan" to help Henan flood control and disaster relief, and raised a total of 161,219.66 yuan to contribute to the post-disaster reconstruction work.



Key Performance Indicator Table

	2021	2020	2019	Units
Total Assets	114,618,124,428.43	90,556,847,871.00	83,168,823,269.31	Yuan
Total profit	2,441,029,881.02	1,733,883,470.55	1,151,315,871.07	Yuan
Total tax payment	758,525,908.35	666,900,474.90	520,791,232.35	Yuan
Operating income	6,109,751,584.75	4,529,746,340.04	3,198,808,368.09	Yuan
Net profit attributable to shareholders of listed companies	1,909,272,808.14	1,369,640,561.02	914,361,564.54	Yuan
Basic earnings per share	0.44	0.39	0.27	Yuan
Social contribution value per share ⁶	1.36	1.02	1.20	Yuan

Key Performance Indicator Disclosure – Corporate Governance			
Company Structure			
Total branches		36	companies
Total direct sales department		109	companies
Corporate Governance			
Board Members	Male	11	people
	Female	2	people
Executive Director	Male	3	people
	Female	0	people
Non-Executive Directors	Male	8	people
	Female	2	people
Independent Directors		5	people
Supervisory members	Male	4	people
	Female	1	people
Holding of shareholders' meeting during the reporting period		2	times
Board of Directors Meeting during the reporting period		8	times
Supervisory Board held during the reporting period		4	times
Special Committee of the Board of Directors held during the reporting period		13	times
Consideration and adoption of resolutions		158	events
Information Disclosure			
Total preparation and disclosure of periodic reports during the reporting period		4	times
Interim announcements made during the reporting period		158	Pcs

⁶ (1) All public welfare donations of the company have gone through the relevant review procedures;
(2) Social contribution value per share = (revenue created for shareholders + tax created for the country + salary paid to employees + loan interest paid to creditors such as banks + value created by the company's external donations for other stakeholders - Other social costs of the company due to environmental pollution.) / total number of company shares.

Key Performance Indicator Disclosure – Corporate Governance		
Anti-Corruption		
Anti-Corruption Training	22	times
Number of people covered	3688	people
Coverage	100	%
Coverage rate of relevant employees signing the "Commitment to Integrity	100	%
Occurrence of anti-corruption, unfair competition and other violations of integrity-related requirements or resulting fines	0	case
Anti-money laundering		
The occurrence of anti-money laundering information leakage, the existence of anti-money laundering cases due to failure to perform anti-money laundering duties in strict accordance with regulations, or internal personnel suspected of money laundering cases	0	times
Anti-money laundering training	11	times
Number of people covered	500	people
Intellectual Property		
Significant allegations of infringement or violation of intellectual property rights by third parties	0	times

Energy structure and energy consumption performance indicators table						
	2021	2020	2019	2018	2017	Units
Diesel fuel	1816.00	1033.00	2348.00	8245.00	2537.00	L
	66.44	37.80	85.91	301.67	92.83	GJ
Petrol	225450.90	240758.18	236866.00	423862.60	472764.96	L
	7827.66	8359.12	8223.99	14716.51	16414.40	GJ
Natural Gas	121249.89	150513.37	196312.34	209881.83	198782.43	m³
	4720.26	5859.49	7642.44	8170.70	7738.60	GJ
Liquefied Petroleum	0.97	0.99	0.95	0.92	0.88	t
Gas	45.88	46.83	44.94	43.52	41.62	GJ
Purchased	16362.35	15940.35	62009.84	18236.93	18178.46	GJ
electricity	58935.62	57415.62	642126.92	65687.68	65477.08	GJ
Purchased heat	672907.31	596065.35	642126.92	616513.76	498000.95	GJ
Total energy use	744503.17	667784.21	720134.04	705433.84	587765.48	GJ

scope	Emission source	2021	2020	2019	2018	2017	Units
scope 1	Diesel	4.93	2.80	6.37	22.37	6.88	tCO ₂ e
	Petrol	542.46	579.29	569.92	1019.85	1137.52	tCO ₂ e
	Natural Gas	264.81	328.73	428.75	458.39	434.15	tCO ₂ e
	Liquefied Petroleum Gas	3.01	3.07	2.95	2.85	2.73	tCO ₂ e
scope 1	Electricity	13162.30	12833.99	13870.64	14703.33	14692.81	tCO ₂ e
	Purchased heat	31912.63	28268.40	30452.87	29238.17	23617.70	tCO ₂ e
Total greenhouse gas emissions ⁷		45074.93	41102.39	44323.51	43941.50	38310.51	tCO ₂ e

Water Resources Performance Indicators Table						
	2021	2020	2019	2018	2017	Units
Total water withdrawal	54417.87	46138.84	53983.20	59352.46	63567.99	tons
Operating area	170061.51	169695.13	173263.37	174572.20	172551.71	m ²
Water withdrawal per unit area	0.32	0.27	0.31	0.34	0.37	Ton/m2

Table of waste-related performance indicators						
Non-Hazardous Waste types	2021	2020	2019	2018	2017	Units
Household waste	1543.37	192.05	199.67	209.84	196.11	tons
Waste cartridges	807	837	1116	1120	853	Pcs
Waste toner cartridges	2130	2069	2068	1956	1832	Pcs
Waste fluorescent tubes	1715	1228	1433	1500	1646	Pcs
Waste Electronic Products	1791	1290	1544	1365	735	Pcs

Key Performance Indicator Disclosure – Social Performance						
Employee Employment and Rights						
			2021	2020	2019	Units
Total number of employees			3688	3744	3607	people
gender	Male		59.2	65.2	65.4	%
	Female		40.8	34.8	34.6	%
age group	under 30		45.8	43.2	43.9	%
	30 to 50 years old		45.2	48.9	49.0	%
	Over 50 years old		9	7.9	7.1	%
Number of governing bodies ⁸			29	29	28	people
gender	Male		25	26	25	people
	Female		4	3	3	people

⁷ GHG emissions include direct GHG emissions from gasoline consumption, diesel consumption, natural gas consumption and LPG consumption of the company's own vehicles, and indirect GHG emissions from purchased electricity and heat. GHG emissions include direct GHG emissions from gasoline consumption, diesel consumption, natural gas consumption and LPG consumption of the company's own vehicles and indirect GHG emissions from purchased electricity and heat. The calculation method refers to the "GHG Emission Accounting Methodology and Reporting Guide for Public Building Operators" and the "2011 and 2012 China Regional Power Grid Average CO2 Emission Factor of China Regional Power Grid in 2011 and 2012.

⁸ The statistical caliber of governing bodies is: directors, supervisors and senior executives.

Key Performance Indicator Disclosure – Social Performance					
Employee Employment and Rights					
		2021	2020	2019	Units
Age group	under 30	0	0	0	people
	30 to 50 years old	8	9	7	people
	Over 50 years old	21	20	21	people
Employee Hiring Rate		8.5	9.1	5.5	%
Employee turnover rate		4.2	5.1	5.9	%
Number of employees who actually used parental leave in the reporting period		63			people
Employee return rate after taking parental leave		100			%
Employee retention rate after taking parental leave		100			%
Employee employment contract signing rate		100			%
Social Insurance Coverage		100			%
Provident Fund Coverage		100			%
Incidents of violations of law related to discrimination, child labor, forced and compulsory labor, or violations of the right to freedom of association		0			cases
Employee Injury					
Number of work injuries during the reporting period		4			people
Deaths due to work-related injuries		0			people
Number of working days lost due to work-related injuries		115			day
Workplace injury rate		0.11			%
Employee medical examination coverage		100			%
Incidence of occupational diseases		0			%
Staff Training					
Employee Engagement	Full-time employees	4.25			points
Number of training hours per capita		32.3			hours
Customer Complaints and Services					
Customer satisfaction during the reporting period		96.64			%
Information security, privacy protection					
Number of information security assessments conducted by the company during the reporting period		1			times
Number of IT emergency drills the company participated in during the reporting period		2			times
Incidents of customer information and privacy breaches during the reporting period		0			times
Investor Education and Assistance					
Investment in education		8			million yuan
During the reporting period, planning, organizing and assisting branches to carry out various investment education activities		1000			events
Number of people covered by investment education activities during the reporting period		10 million			Number of people
Community Input Data					
Charitable donations during the reporting period		853.2			million yuan

Independent Verification Statement



TÜV SÜD Certification and Testing (China) Co., Ltd. Shanghai Branch (hereinafter referred to as “TÜV SÜD”) has been engaged by Guo Yuan Securities Co., Ltd. (hereinafter referred to as “Guoyuan securities” or “the Company”) to perform an independent third-party verification on 2021 Environmental, Social and Governance (ESG) Report of GuoYuan Securities Co., Ltd. (hereinafter referred to as “the Report”). During this verification, TÜV SÜD's verification team strictly abided by the contract signed with Guoyuan securities and provided verification regarding the Report in accordance with the provisions agreed by both parties and within the authorized scope stipulated in the contract.

This Independent Verification Statement is based on the data and information collected by Guoyuan securities and provided to TÜV SÜD. The scope of verification is limited to the said information. Guoyuan securities shall be held accountable for authenticity and completeness of the provided data and information.

Scope of Verification

Time frame of this verification:

- ▶ The Report contains the data disclosed by Guoyuan securities during the reporting period from January 1st, 2021 to December 31st, 2021, including economic, environmental and social information and data, methods for management of substantial issues, actions/measures and the Company's sustainable development performance during the reporting period.

Physical boundary of this verification:

- ▶ The on-the-spot verification took place at below listed location, which is, Headquarter of Guoyuan securities address at No. 18, MeiShan Road, Hefei City, Anhui Province, People Republic of China.

The following information and data are beyond the scope of this verification:

- ▶ Any information and contents beyond the reporting period of this Report; and
- ▶ The financial data and information disclosed in this Report that have been audited by an independent third party are not verified duplicated herein.

Limitations

- ▶ This verification was performed at aforementioned sites, and no branch or subsidiary was visited during the aforesaid verification; and
- ▶ The Company's standpoint, opinions, forward-looking statements and predictive information as well as the historical data and information on and before 31st December 2020 are beyond the scope of this verification.

Basis for the Verification

This certification process was implemented by TÜV SÜD's expert team with senior experience in corporate social responsibility, economic, environmental, and social related issues according to AA1000 AS v3 and reached relevant conclusions. The certification reference is based on the following standards:

- ▶ Global Reporting Initiative Sustainable Development Reporting Standards (GRI Standards) 2018 edition
- ▶ TÜV SÜD Procedure of Verification on Sustainability Report

In order to perform adequate verification in accordance with the contract and provide reasonable verification for the conclusions, the verification team conducted the following activities:

- ▶ Preliminary investigation of the relevant information before the verification;
- ▶ Confirmation of the presence of the highly substantial issues and performance in the Report;
- ▶ On-the-spot review of all supporting documents, data and other information provided by Guoyuan securities; tracing and verification of key performance information;
- ▶ Special interview with the representative of Guoyuan securities's board of directors; interviews with the employees related to collection, compilation and reporting of the disclosed information; and
- ▶ Other procedures deemed necessary by the verification team.

Verification Conclusions

After verification, we believe that the Report prepared by Guoyuan Securities is substantive, the data collection system is reliable and consistent, the information is true, traceable and verifiable, and no systematic or material problems have been found, and accordingly, we have issued a limited assurance report.

The verification team has drawn the following conclusions on this Report:

Stakeholders inclusiveness	The Report has fully identified the internal and external stakeholders of the Company, and the Company has established a diversified communication mechanism and complaint mechanism to maintain positive communication with stakeholders. The Report has responded to issues of high concern to stakeholders, such as investors, regulators, and ESG rating agencies.
Sustainability Context	The Report discloses a company's impact on the economy, environment and society in the broader context of sustainability.
Materiality	The Report discloses the analysis process and results of the Company's materiality issues, and determines the Company's high materiality issues by comprehensively considering the importance to the decision-making of stakeholders and the impact on the global economy, society and environment.
Completeness	The Report discloses environmental, social and economic data and information for the Company's headquarters and all subsidiaries and operating divisions.
Accuracy	After on-site verification and confirmation, the reported information is objective and true, and the data calculation process and results are accurate and traceable.
Balance	Both positive and negative information disclosures are considered in the Report.
Clarity	A combination of diagrams, flowcharts and text is used in the Report, and direct access to the Report has been disclosed.
Comparability	The Report clearly shows the economic, environmental and social data of the past five years, and regularly tracks key data, such as energy and resource consumption, greenhouse gas emissions and emission intensity, and the data are comparable.
Reliability	The data disclosed in the Report has original documents and records for verification, and the statistical caliber is consistent. The Company invited an independent third party to verify the reported data.
Timeliness	Since 2021, the Company will change the name of the Report to ESG report, and the time range of the Report will be consistent with the annual report, so that stakeholders such as investors can obtain information in a timely manner to make decisions.





Recommendations on Continuous Improvement

- It is recommended that the Company further explore and improve the carbon neutrality implementation roadmap for its own operations.

Statement on Independence and Verification Capability

TÜV SÜD is a trusted partner of choice for safety, security and sustainability solutions. It specialises in testing, certification, auditing and advisory services. Since 1866, TÜV SÜD has remained committed to its purpose of enabling progress by protecting people, the environment and assets from technology-related risks. Today, TÜV SÜD is present in over 1,000 locations worldwide with its headquarters in Munich, Germany. TÜV SÜD has been committed to sustainable development and actively promotes environmental protection related projects. Over the years, TÜV SÜD has been actively expanding its performance in energy management, renewable resources, and electric automobiles, etc., helping its customers meet sustainable development needs.

TÜV SÜD Certification and Testing (China) Co., Ltd. Shanghai Branch is one of TÜV SÜD's global branches and has an expert team whose members have professional background and rich industrial experiences.

TÜV SÜD and Guoyuan securities are two entities independent of each other and both TÜV SÜD and Guoyuan securities and their branches or stakeholders have no conflict of interest. No member of the verification team has business relationship with the Company. The verification is completely neutral. All the data and information in the Report are provided by Guoyuan securities. TÜV SÜD has not been involved in preparation and drafting of the Report, except for the verification itself and issuance of the verification statement.

Signature:

On Behalf of TÜV SÜD Certification and Testing (China) Co., Ltd. Shanghai Branch

Zhu Wenjun

TÜV SÜD Sustainability Authorized Signatory Officer

16-March, 2022

Note: In case of any inconsistency or discrepancy, the simplified Chinese version of this verification statement shall prevail, while the English translation is used for reference only.

TUV SUD Certification and Testing (China) Co., Ltd. Shanghai Branch No.151 Heng Tong Road, Shanghai 200070	Page 2 of 3 Tel: +86 21-61410737 Fax: +86 21-61408600 Web: http://www.tuvsud.cn
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GRI Content Index

GRI Content Index

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Reader Feedback

Dear readers,

Hello! Thank you for reading this report!

This is the 14th CSR report prepared by Guoyuan Securities. We sincerely look forward to your valuable comments and suggestions on this report, and we will be happy to adopt your comments and suggestions so that we can continue to improve in the preparation of future reports.

You are welcome to answer the following questions and return this questionnaire in writing to the following contact person.

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1. Please type "✓" in the corresponding position

Question content	Yes	No	Not quite sure
(1) Do you think the report reflects the significant impact on the environment, economy and society and the achievements of the company in the environment, economy and society?			
(2) Do you think the information disclosed in this report is true, accurate and valid?			
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If you wish, please fill out the electronic questionnaire to express your suggestions and complaints about our.

