



# 2024

## Sustainability Report

Caitong Securities Co., Ltd.

Stock Code: 601108



### Upholding Integrity and Harmony in Pursuit of Dreams

Caitong Securities Co., Ltd.

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# About the Report

This report is the 8th Sustainability Report (ESG Report / Social Responsibility Report) by Caitong Securities Co., Ltd. The report is based on the principles of objectivity and realism, disclosing the Company's sustainable development concepts and practical outcomes. The Company guarantees that there are no false records, misleading statements, or significant omissions in this report, and takes responsibility for its content's authenticity, accuracy, and completeness.

**Period** January 1, 2024, to December 31, 2024. To ensure the completeness of the report, some content may be traced back or extended forward in time.

**Reporting Scope** Unless otherwise stated, the scope of this report is the same as the scope of the Company's annual consolidated financial statements.

**Glossary** For the convenience of expression, Caitong Securities Co., Ltd. is referred to as "Caitong Securities," "Caitong," "the Company," "We" or "Us" in this report. The full names and abbreviations of the subsidiaries and significant invested companies mentioned in this report are shown in the table below.

Full Company Name	Abbreviation
Caitong Securities Asset Management Co., Ltd.	Caitong Asset Management
Zhejiang Caitong Capital Investment Co., Ltd.	Caitong Capital
Caitong Innovation Investment Co., Ltd.	Caitong Innovation
Caitong (Hong Kong) Co., Limited	Caitong HK
Yong'an Futures Co., Ltd.	Yong'an Futures
Caitong Fund Management Co., Ltd.	Caitong Fund

**Note on Data** The data and cases in this report are derived from the original records or financial reports of Caitong Securities, its subsidiaries and significantly associated companies. Unless otherwise specified, the financial data in the report is presented in CNY. In cases of any discrepancies with the financial reports, the financial reports shall prevail. Unless otherwise specified, the statistical caliber of the relevant text and data in the report is consistent with the scope of the Company's financial statements.

- Reference Standards**
- Global Sustainability Standards Board (GSSB) - *Sustainability Reporting Standards* (GRI Standards)
  - United Nations 2030 Sustainable Development Goals (SDGs)
  - International Organization for Standardization *ISO 26000 Guidance on Social Responsibility* (2010)
  - National Standardization Administration *Guidelines for Social Responsibility Reports* (GB/T 36001-2015)
  - Chinese Academy of Social Sciences *Guidelines for the Preparation of Sustainable Development Reports for Chinese Enterprises* (CASS-ESG6.0)
  - *Shanghai Stock Exchange Self-Discipline Regulatory Guidelines No. 14 - Sustainability Reporting* (Trial)
  - *Shanghai Stock Exchange Self-Discipline Regulatory Guidelines No. 4 - Preparation of Sustainability Reports*

**Reporting Principles** The preparation of the report is based on the following principles:

**Materiality:**  
Our process for conducting the materiality assessment includes:  
(1) identifying relevant ESG issues; (2) evaluating the importance of these issues; and (3) having the Board review and confirm the assessment process and results. We report on ESG matters based on the results of the materiality assessment. For more details on the materiality assessment, please refer to the "Materiality Analysis" section of the report.

**Accuracy:**  
This report strives to ensure the accuracy of information. The quantitative information is accompanied by explanation of data scope, calculation basis, and assumptions to ensure that calculation errors do not mislead users of the information. Detailed quantitative information and notes can be found in the "Key Performance Indicator" section of this report. The Board guarantees the content of the report and confirms that there are no false statements, misleading representations, or significant omissions.

**Balance:**  
The content of this report reflects objective facts, providing unbiased disclosure of both positive and negative information related to the Company.

**Consistency:**  
The preparation method of this year's sustainability report remains consistent with prior years. Any changes that may affect meaningful comparisons with past reports have been explained in the appropriate sections.

**Access to this Report** This report is published in both Simplified Chinese and English versions. In case of any discrepancy, the Simplified Chinese version shall prevail. The electronic version of this report is available for download on the Shanghai Stock Exchange website (www.sse.com.cn).



# Board Sustainability Statement

2024 marks the 75th anniversary of the founding of the People's Republic of China and the year of striving for high-quality development at Caitong Securities, which embodies the mission of "serving the country through finance." In a complex and ever-changing market environment, we are committed to taking on the responsibilities of a state-owned enterprise in Zhejiang Province. We steadfastly focus on the fundamental purpose of financial services for the real economy, practice an investor-centric philosophy, and intensively develop the "Five Key Areas" of finance. We aim to build a "Four-Dimensional Caitong" and firmly establish ourselves as "a Securities Company of Zhejiang Entrepreneurs and Enterprises," striving to create a first-class modern investment bank. From optimizing the ESG governance structure to innovating financial models for common prosperity, from constructing a green financial ecosystem to nurturing a talent-driven enterprise engine, we demonstrate our commitment to serving the real economy, breaking through innovations during reform challenges, and empowering sustainability by practicing ESG principles, turning our grand goals into beautiful realities through every small action.



**With determination and diligence, we strengthen the foundation for development through standardized governance.**

We deeply implement the "Five Do's and Five Don'ts" of Chinese financial culture and the industry culture of "compliance, integrity, professionalism, and Prudence." We view ESG governance as an important means to drive the Company's high-quality and sustainable development, enhancing the top-level design of ESG governance, deepening the functions of the Strategy and ESG Committee, and cultivating an ESG corporate culture to steadily improve the systematic and effective nature of ESG governance. We adhere to compliant and stable operations, reinforcing our compliance risk control system through digital and intelligent measures, and by constructing a comprehensive, three-dimensional supervision system that extends horizontally and vertically, we promote the organic integration of ESG risk control with business development, safeguarding the Company's sustainable growth.



**Riding the tide of progress, we work together to build a better society through coordinated development.**

We always adhere to the principle of "customer-centricity," continuously enhancing the quality of our services and actively fulfilling our social responsibilities to contribute to harmonious social development. In our investor service practices, we consistently optimize service processes and carry out diverse investment education activities, helping tens of thousands of investors improve their financial literacy. On the road to rural revitalization, we engage with needs in mountainous and island areas through various means such as industry assistance and consumption support, facilitating coordinated development between urban and rural areas. In the process of the Company's high-quality development, we regard talent as our primary resource and the most critical factor. We focus on implementing the cadre talent tiers construction project, strengthening career development support, and ensuring rights protection and care for employees, achieving a 96.8% employee satisfaction rate.



**In harmony and coexistence, we safeguard the beauty of ecology through green finance.**

We respond to the national "Dual Carbon" strategic goals, always considering green as the cornerstone of high-quality development, and leveraging the power of finance to safeguard clear waters and lush mountains. We thoroughly implement the concept of green development, empowering the growth of green industries through financial innovation. In 2024, we have cumulatively issued green ABS products with a total scale exceeding CNY 6.2 billion, covering various areas such as municipal infrastructure, real estate, and new energy vehicles, effectively revitalizing environmentally friendly assets. We promote green operations, proactively engaging in rainwater collection and reuse, as well as the use of renewable energy, deeply integrating the concept of environmental protection into every aspect of the Company's operational development. We advocate for paperless office practices and optimize energy efficiency, making it a collective consciousness for all employees to save every kilowatt of electricity and every sheet of paper.



**With winds of opportunity, we set sail toward new horizons.**

We will always uphold the corporate spirit of "Upholding integrity and harmony in pursuit of dreams," focusing on the five key areas of technology finance, green finance, inclusive finance, pension finance, and digital finance. Guided by high-quality development, we will adopt a more determined political stance, a more open attitude towards innovation, and a more solid sense of responsibility to fulfill our corporate social responsibilities. We will make every effort to advance sustainable development practices, contributing even more to the safe, sustainable, and high-quality development of the Company and aiding in social progress.





# About Us

## Company Profile

Caitong Securities Co., Ltd. is a comprehensive securities group with its characteristic headquartered in Hangzhou. It was founded as Zhejiang Finance Securities Company in 1993, and was listed on the Shanghai Stock Exchange in October 2017 under stock code 601108. Over 30 years of entrepreneurial growth, Caitong Securities has consistently adhered to the principles of compliance, prudence, integrity, and innovation. By capitalizing on regulatory reforms and industry innovation opportunities, the Company has evolved from a regional brokerage firm into a full-licensed, specialized, group-oriented, and internationally expanding listed securities company. The Company has built a comprehensive service system across a full chain of businesses, including securities, futures, mutual funds, asset management, equity investment, and overseas finance. Its market competitiveness and comprehensive strength have rapidly improved, [earning it First Prize for Supporting the Economic and Social Development of Zhejiang for 7 consecutive years from financial institutions in the province.](#)



Total Assets  
CNY **144.555** billion



Operating Revenue  
CNY **6.286** billion



Net Profit  
CNY **2.340** billion



Weighted Average  
Return on Net Assets  
**6.59** %



## Business Segments

As of the end of the reporting period, the Group has approximately 6,000 employees and 212 branches, achieving a nationwide business layout with 100% coverage in Zhejiang Province. Its overseas services extend to Hong Kong, Singapore, and countries along the "Belt and Road" initiative. The Group includes 6 subsidiaries, namely Caitong Securities Asset Management Co., Ltd., Zhejiang Caitong Capital Investment Co., Ltd., Caitong Innovation Investment Co., Ltd., Caitong (Hong Kong) Co., Ltd., Yong'an Futures Co., Ltd., and Caitong Fund Management Co., Ltd. Each of these subsidiaries has developed its own distinctive features and competitive advantages in its respective field.





# Corporate Culture

**Corporate spirit**  
Upholding integrity and harmony in pursuit of dreams

**Corporate vision**  
Striving to build a first-class modern investment bank

**Core values**  
Awe, gratitude, innovation, responsibility

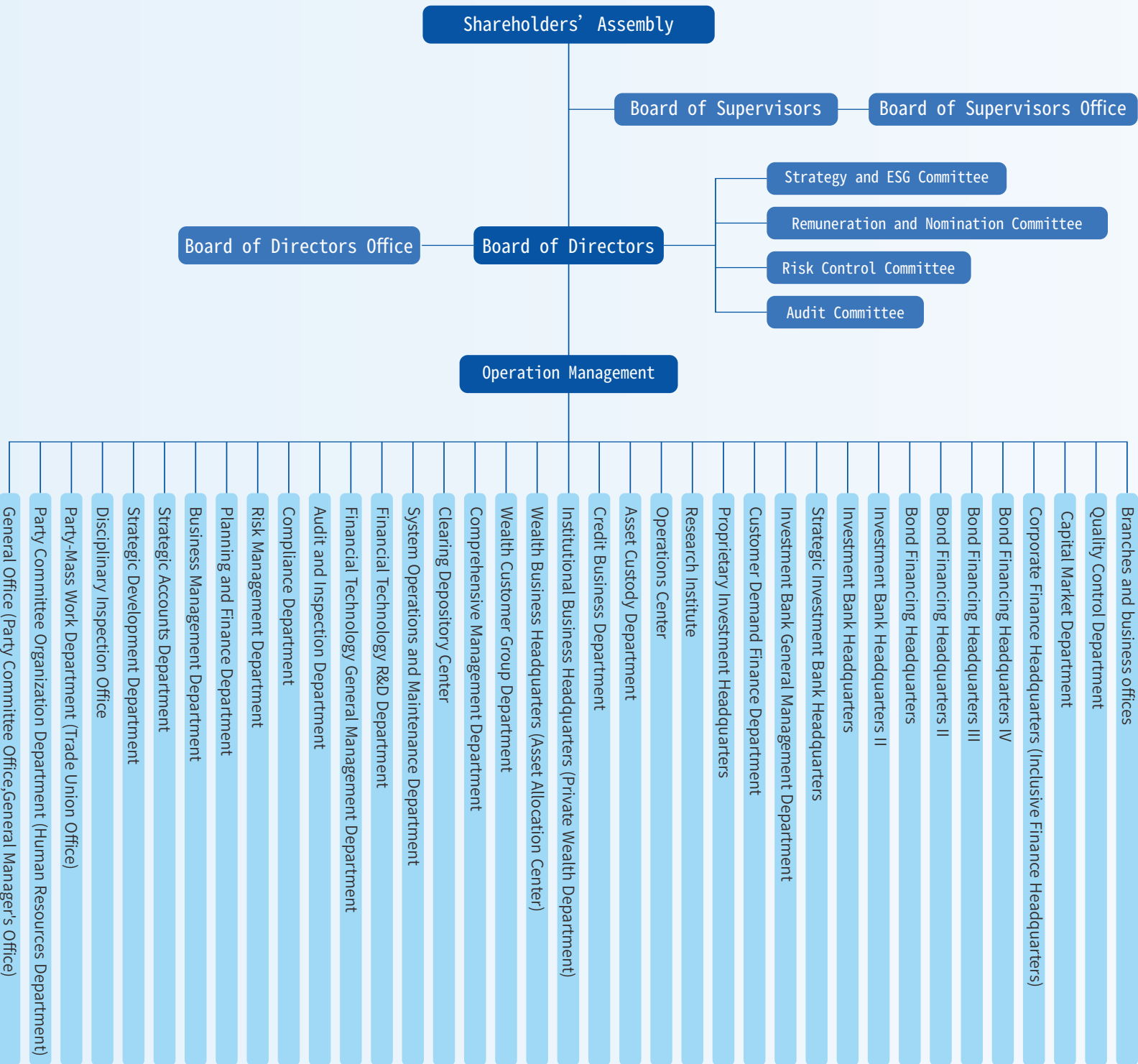
**Mission and goal**  
Providing services throughout China with a strong presence in Zhejiang;  
Be a “comprehensive financial service provider who understands you better”

**Business objectives**  
Sound operation, Collaboration and innovation,  
Be factual and realistic, Be practical to make achievements

**Cultural consensus**  
Caitong consensus



# Organizational Structure





Honors of Caitong



Awards Name	Issuing/Organizing Authority
State-Owned Listed Companies ESG Pioneer 100 Index	State-owned Assets Supervision and Administration Commission of the State Council, Social Responsibility Bureau
First Prize for Outstanding Financial Institutions Supporting Zhejiang's Economic and Social Development in 2023	Zhejiang Provincial Financial Office
Zhejiang Provincial Civilized Unit	The People's Government of Zhejiang Province
Best Innovative Case in Talent Work in Zhejiang Province	Zhejiang Institute of Talent Development
Outstanding Case: "Deep Implementation of the 'Eight-Eight Strategy'—First-Class Financial Management System Boosts Chinese Modernization"	State-owned Assets Supervision and Administration Commission of the People' s Government of Zhejiang Province
2024 Excellence Award for Supporting Venture Capital	Department of Science and Technology of Zhejiang Province
2024 Hangzhou Listed Companies ESG Strategic Philanthropy Influence Top 20	Hangzhou Civil Affairs Bureau
2023 Shanghai Stock Exchange STAR Market Special Award for Market Makers (Pioneer STAR Market Maker)	Shanghai Stock Exchange
2023 "Outstanding Case Award for Integrating Investor Education into National Education"	Shenzhen Stock Exchange
2024 Outstanding Sustainable Development Practice Case for Listed Companies	China Association for Public Companies
Outstanding Practice Case in Corporate Culture Development for Listed Companies	China Association for Public Companies
CSTD National Finals Lighthouse Award for Corporate Learning Design Competition	CSTD China Society for Talent Development
2024 Global Zhejiang Entrepreneurs ESG Classic 100	Zhejiang Merchant Institute (Zhejiang Entrepreneurs Think Tank)
2023 VCA Most Dynamic Government-Guided Fund	China Venture Capital and Investment Association - Equity Investment and Venture Capital



Awards Name	Professional Committee
3rd "Zhejiang Financial Awards" Golden Wild Goose Award—Annual Pioneer Institution	The General Association of Zhejiang Entrepreneurs - Financial Services Committee
"Xinhua Credit Golden Orchid Cup" Outstanding Case in Responsible Investment	Xinhua News Agency, China Economic Information Service
2024 Zhejiang Excellence in Supporting the Real Economy	Zhejiang Daily Press Group · Tide News, Qianjiang Evening News
Golden Bull Award for Fund Investment Advisory Institutions	China Securities Journal
2024 China Securities Industry Rising Star Investment Bank Jun Ding Award	Securities Times
2024 China Securities Industry Best Service to Private Enterprises Project Jun Ding Award	Securities Times
1st "China Private Equity Venture Capital Yinghua Award"	China Fund
Annual Most Valuable Brand Award	Cailian Press
Most Promising Investment Bank by New Fortune	New Fortune
Best Industrial Research Team of the Year in Manufacturing	New Fortune
2024 Best Institution for Supporting High-Quality Development of Listed Companies	21st Century Business Herald
2024 Top 30 Listed Companies Brand Value List in China's Securities Industry	National Business Daily
2024 Financial Value List—Annual Rising Star Investment Banks Top 5	Yicai
2024 Classic Case of Financial Support for Private Economic Development	Zheshang Magazine
Trusted Financial Institution Award	Yinshi Finance
7th China Outstanding IR Awards: Best Leadership, Best Disclosure, Best Innovation Practice, Best Investor Relations Project	RoadshowChina





As a steadfast practitioner of sustainable development principles, Caitong Securities consistently places sustainability at the core of its operations. The Company closely tracks cutting-edge policies, regulations, initiatives, and measures in sustainable development, deeply integrating these concepts into its strategy, management, and business practices.



## Sustainable Development Management

In compliance with the CSRC's *Code of Corporate Governance for Listed Companies* and the Shanghai Stock Exchange's *Self-Regulatory Guidelines for Listed Companies No. 1 – Standardized Operations*, Caitong Securities has systematically established a well-defined sustainable development management framework. Through a three-tier governance structure ("Decision-Making Level – Management Level – Implementation Level"), the Company ensures effective top-down strategic planning, resource allocation, and seamless integration with business operations.

ESG Governance Structure and Responsibilities		
Role	Composition	Main Responsibilities
Decision-Making Level	Board of Directors and the Strategic and ESG Committee	<ul style="list-style-type: none"><li>Formulate the Company's sustainable development strategy</li><li>Supervise the implementation of the sustainable development strategy</li><li>Decide on major sustainable development issues and risk response measures</li><li>...</li></ul>
Management Level	Company Executives and Relevant Functional Departments	<ul style="list-style-type: none"><li>Implement the sustainable development strategy</li><li>Coordinate sustainable development management objectives</li><li>Conduct sustainable development training to guide all employees in systematic sustainability efforts</li><li>...</li></ul>
Execution Level	Departments and frontline operational units	<ul style="list-style-type: none"><li>Execute daily management of sustainable development</li><li>Fulfill responsibilities related to environmental, social, and corporate governance</li></ul>

The Company continuously optimizes its ESG management framework and system, utilizing scientific and efficient management methods to actively promote the comprehensive improvement of ESG efforts.



### Case

#### Caitong Securities Included in the State-Owned Listed Companies ESG Pioneer 100 Index (2024)

On November 7, 2024, the "7th China Enterprise Forum - Parallel Session on State-Owned Enterprise Social Responsibility", hosted by the Social Responsibility Bureau of the State-owned Assets Supervision and Administration Commission of the State Council, was successfully held in Beijing. The forum released several important indices, including the Blue Book on Environmental, Social and Governance (ESG) of Central Enterprise Listed Companies (2024) and the "State-Owned Listed Companies ESG Pioneer 100 Index (2024)". Caitong Securities was successfully included in the "State-Owned Listed Companies ESG Pioneer 100 Index".



## Sustainability Performance Highlights



### Economical



Total assets  
CNY **144.555** billion



Operating revenue  
CNY **6.286** billion



Net profit  
CNY **2.340** billion



Weighted average  
return on net assets  
**6.59** %





Environmental

Indicator	Performance	Indicator	Performance
GHG emissions	4,283 tCO <sub>2</sub> e	Reduction in per capita gasoline consumption	2 %
Per capita water consumption	6.8 tons/person	Supporting green bond issuance	CNY 425 million
Rainwater recycling and reuse	2,533 cubic meters	Green ABS issued	CNY 6.231 billion
Renewable energy usage	64,304 tons	ESG-themed training sessions for investors	3 sessions



Social

Indicator	Performance
Total employees	4,798
Female employees	46.98%
Female representation in middle/senior management	27.18%
Employee turnover rate	15.18%
Training participation rate	100%
Average training hours per employee	127.65 hours
Employee satisfaction rate	96.8%
Customer satisfaction rate	91.06%
Investor education programs conducted	2,232 sessions
Original investor education materials produced	3,188 types
Benefiting investors	60 million person-times
Digital finance R&D investment	CNY 84.54 million
R&D personnel	297
Information system emergency drills conducted	572
Amount of investment in public welfare and charity	CNY 19.1528 million
Volunteer participation	1,660 person-times









Governance

Indicator	Performance
Total number of directors	11 members (including 4 independent directors and 1 female director)
The Strategy and ESG Committee of the board meeting convened	2
Resolutions reviewed	5
Disclosure announcements published	111
Number of performance briefings held in 2024	3
Compliance training coverage	100%
Anti-corruption and integrity training coverage	100%

Stakeholder Communication

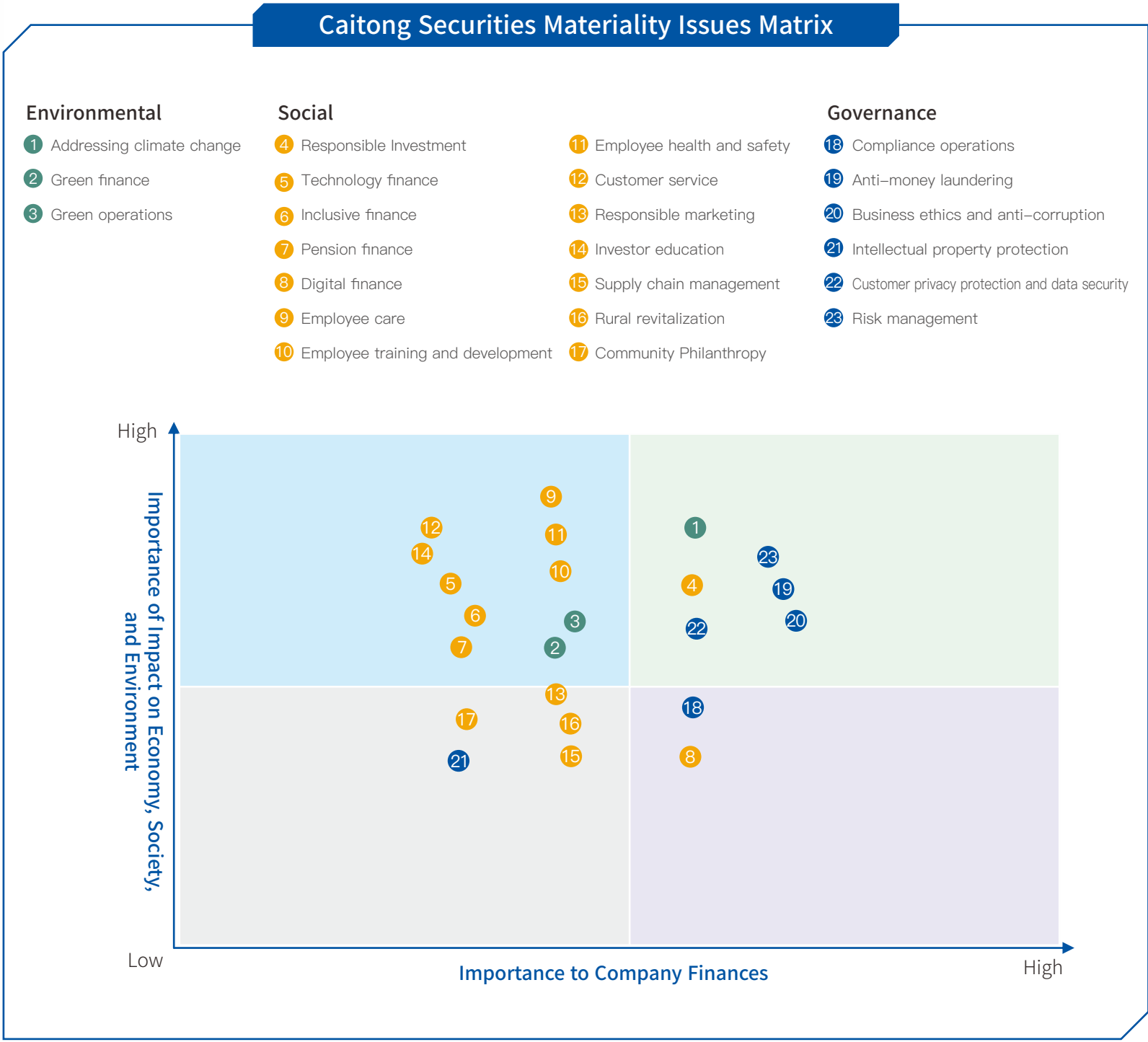
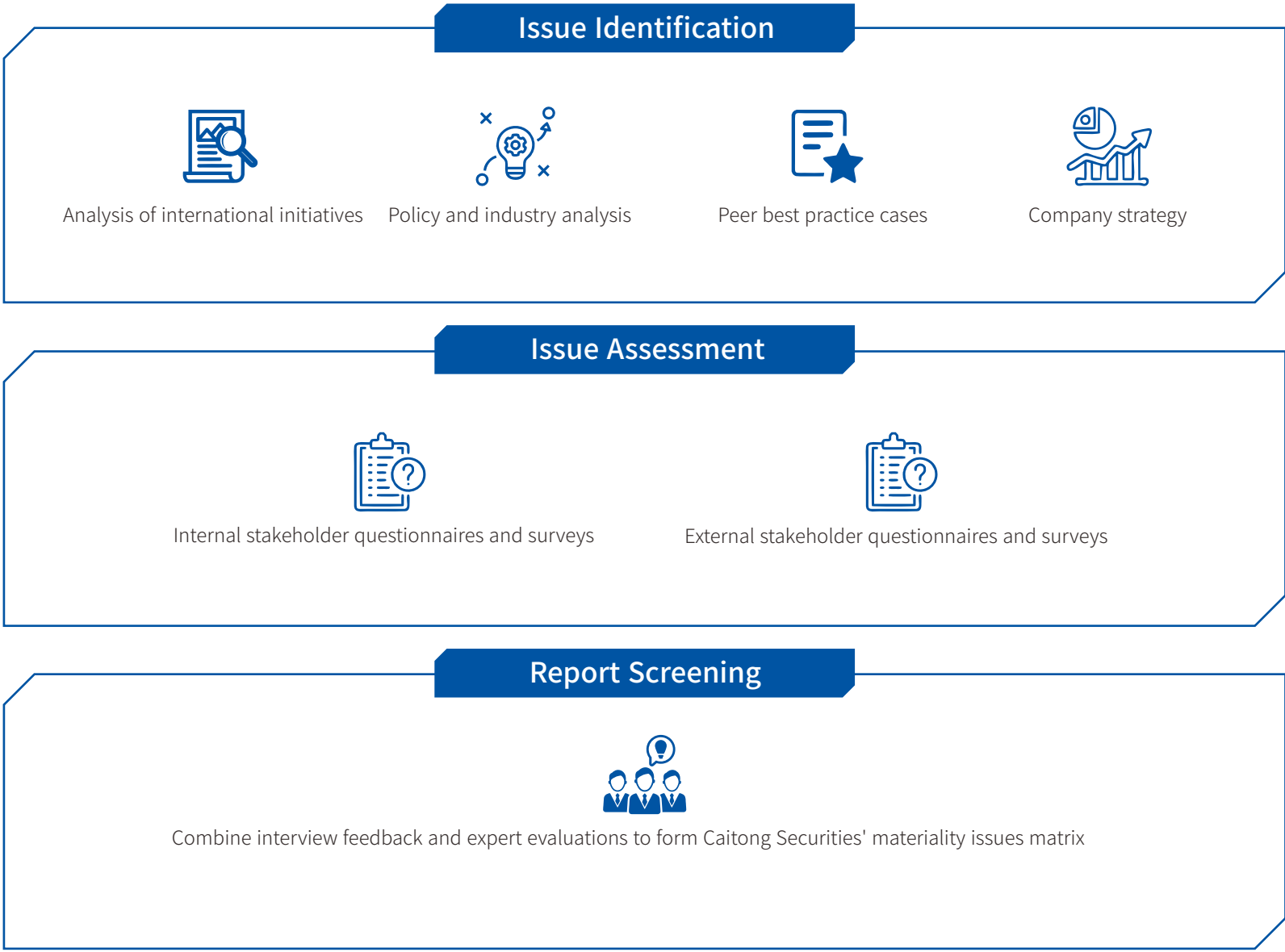
Caitong Securities firmly believes that collaboration with various stakeholders is the cornerstone for achieving long-term sustainable development. We place a high value on communication and interaction with diverse stakeholders, including government and regulatory agencies, shareholders and investors, customers and partners, communities and non-profit organizations, and employees. We explore the establishment of a management mechanism that incorporates "identification - communication - response - improvement," clearly defining the core issues related to environmental, social, and corporate governance. We proactively disclose key performance indicators and transform stakeholder suggestions into concrete practices for optimizing governance systems, innovating products and services, and co-creating social value.

Stakeholders	Key Concerns	Communication Channel and Method
 Government/ Regulatory Authorities	<ul style="list-style-type: none"><li>Compliant operation</li><li>Risk management</li><li>ESG management</li><li>Serving the economic development of Zhejiang province and other regions</li><li>Serving the real economy</li><li>Common prosperity</li><li>Promoting cultural development</li></ul>	<ul style="list-style-type: none"><li>Participating in government survey activities</li><li>Strengthening compliance risk control</li><li>Development of the "Four-Dimensional Caitong" initiative</li><li>Construction of investors' education bases</li><li>Promoting efforts for industry culture-building</li></ul>
 Shareholders and investors	<ul style="list-style-type: none"><li>Corporate governance</li><li>Investor relations management</li><li>Investor education</li></ul>	<ul style="list-style-type: none"><li>Shareholders' Assembly</li><li>Regular information disclosure</li><li>Investor survey and interaction</li><li>Performance briefings</li><li>Construction of the investor education base</li></ul>
 Customers	<ul style="list-style-type: none"><li>Customer service</li><li>Data security and privacy protection</li><li>Responsible marketing</li><li>Financial technology</li><li>Responsible investment</li></ul>	<ul style="list-style-type: none"><li>Customer service hotline</li><li>Caitong Securities APP</li><li>Customer satisfaction survey</li><li>Investors education</li></ul>
 Partners	<ul style="list-style-type: none"><li>Compliant operation</li><li>Supplier management</li><li>NGO</li></ul>	<ul style="list-style-type: none"><li>Cooperation and exchange</li><li>Contract performance</li></ul>
 Community/ Public welfare organizations	<ul style="list-style-type: none"><li>Rural revitalization</li><li>Charitable activities and volunteer Services</li><li>Green operations</li></ul>	<ul style="list-style-type: none"><li>Volunteer services</li><li>Charity initiatives</li><li>Green office practices</li><li>Green finance</li></ul>
 Employees	<ul style="list-style-type: none"><li>Employee training and development</li><li>Employee rights and benefits</li><li>Employee equality and diversity</li><li>Talent retention and incentives</li></ul>	<ul style="list-style-type: none"><li>Employee representative meeting</li><li>Training sessions</li><li>Employee activities</li><li>Union outreach</li></ul>



# Materiality Analysis

In 2024, based on the principle of "double materiality" (both the financial impact on the Company and the substantive impact on the economy, environment, and society), we constructed a materiality issues assessment matrix for Caitong Securities through strategic planning, industry research, and internal and external stakeholder surveys. This involved integrating global sustainable development trends with relevant domestic and international sustainability/social responsibility standards, guidelines, and initiatives. We utilized methods such as questionnaires and communication interviews, ultimately identifying 23 key substantive issues.





## Contribution to the United Nations Sustainable Development Goals (SDGs)

Caitong Securities is guided by a high-quality sustainable development philosophy and refers to the United Nations Sustainable Development Goals (UN SDGs) to steadily enhance its sustainable development capabilities.

### Caitong Securities' Contribution to Achieving the United Nations Sustainable Development Goals

### Corresponding Issues



Through inclusive financial services, support the development of small and medium-sized enterprises and rural areas, helping local communities enhance their own "self-sustainability."



- Responsible investment
- Rural revitalization



Providing financial support for agricultural and rural development projects, helps improve agricultural productivity and farmer incomes, contributing to the goal of zero hunger.



- Responsible investment
- Rural revitalization



Social welfare activities, such as volunteer services and charitable donations, contribute to the health and well-being of society.



- Community philanthropy
- Customer service



Through investor education activities, helps investors enhance their financial knowledge, promoting the financial health of society.



- Investor education



Actively promote gender equality in corporate governance and business operations, ensuring that women have equal opportunities and treatment in the workplace.



- Employee care
- Social Welfare



Support environmental protection projects, such as water resource conservation and sewage treatment, through green finance initiatives, contributing to clean drinking water and sanitation facilities.



- Green finance
- Responsible investment



Support the development of clean energy and promote the optimization of energy structure through green finance projects.



- Addressing climate change
- Responsible investment
- Green finance



Provide diversified financial services to meet the needs of different customer groups, especially the financing needs of small and medium-sized enterprises, thereby promoting employment and economic growth.



- Customer service
- Employee care



Actively develop digital finance to enhance the efficiency and accessibility of financial services through the application of financial technology.



- Innovation-driven
- Customer service
- Industry cooperation and development



Through investor education, financial knowledge dissemination, and other activities, we help investors improve their financial literacy and narrow the wealth gap.



- Community philanthropy
- Customer service
- Rural revitalization



Support urban infrastructure construction and environmental protection through green finance projects, contributing to the creation of sustainable cities and communities.



- Green finance
- Community philanthropy



Establish a clear, responsible investment management framework that incorporates ESG factors into the investment decision-making process. By employing positive screening, negative exclusion, and other strategies, prioritize investments in companies with good environmental, social, and governance performance, thereby promoting the sustainable development of investee companies.



- Responsible investment
- Environmental management



Support clean energy, energy conservation, and environmental protection industries through the development of green finance businesses, promoting the optimization of energy structure and carbon reduction.



- Addressing climate change
- Responsible investment





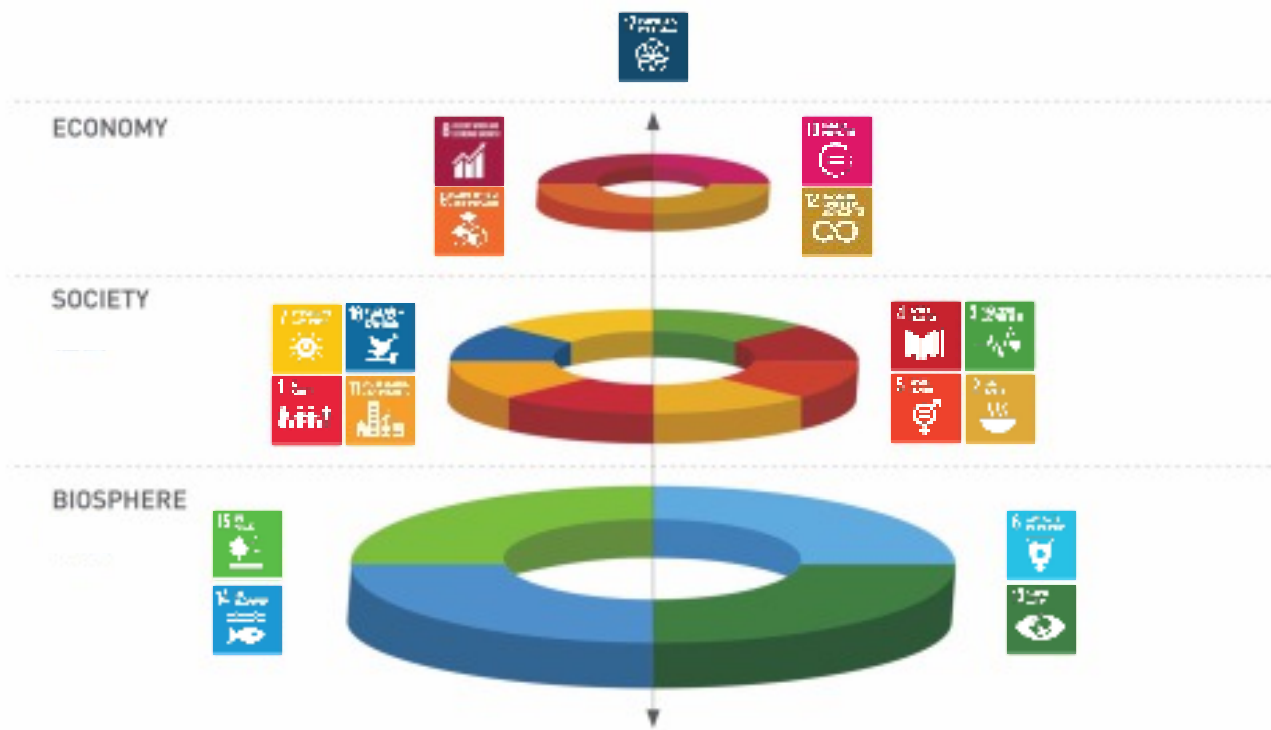
Support forest protection and ecological restoration through green finance projects, contributing to the preservation of terrestrial biodiversity.



- Responsible investment
- Environmental management




	Enhance corporate governance and compliance management to ensure transparency and fairness in company operations, contributing to the establishment of a peaceful and just society. Establish a comprehensive ESG management framework, including a strategic and ESG committee under the board of directors and an ESG management team, to ensure the effective implementation of ESG strategies.	Corresponding Issues <ul style="list-style-type: none"><li>Compliance management</li><li>Anti-unfair competition</li><li>Risk management and internal control</li><li>Information security</li></ul>
	Promote the achievement of sustainable development goals through effective communication and collaboration with various stakeholders.	Corresponding Issues <ul style="list-style-type: none"><li>Industry cooperation and development</li><li>Innovation-driven</li></ul>




United Nations Sustainable Development Goals classification


Sustainability Ratings & Recognitions



Rating Agency	Date	Rating Recognition
Wind ESG	May 2024	BBB



Rating Agency	Date	Rating Recognition
Huazheng Index	October 2024	AA




Rating Agency	Date	Rating Recognition
MSCI ESG	October 2024	BBB





Caitong Securities adheres to the leadership of Party building, deeply practices the “Five Do’s and Five Don’ts” of the Chinese characteristic financial culture, and continuously improves the Company’s governance structure and institutional system. The Company is committed to enhancing its governance level, maintaining compliance as a bottom line, vigorously promoting a culture of compliance, deepening comprehensive risk management, implementing anti-corruption and integrity initiatives, and fostering an industry culture of “compliance, integrity, professionalism, and prudence” within the Company. This provides a solid foundation for the Company’s stable operations and its efforts to strengthen and optimize its performance.

 This chapter strictly follows the requirements of the *Shanghai Stock Exchange Listed Company Self-Regulatory Guidelines No. 14 – Sustainability Report (Trial)*, and specifically corresponds to Chapter 5 of the guideline document, titled “Disclosure of Governance Information Related to Sustainability.” It includes a detailed discussion and analysis of Section 1 “Governance Mechanisms Related to Sustainability” and Section 2 “Business Conduct.”

## SUSTAINABLE DEVELOPMENT GOALS

This chapter contributes to the United Nations Sustainable Development Goals (SDGs)



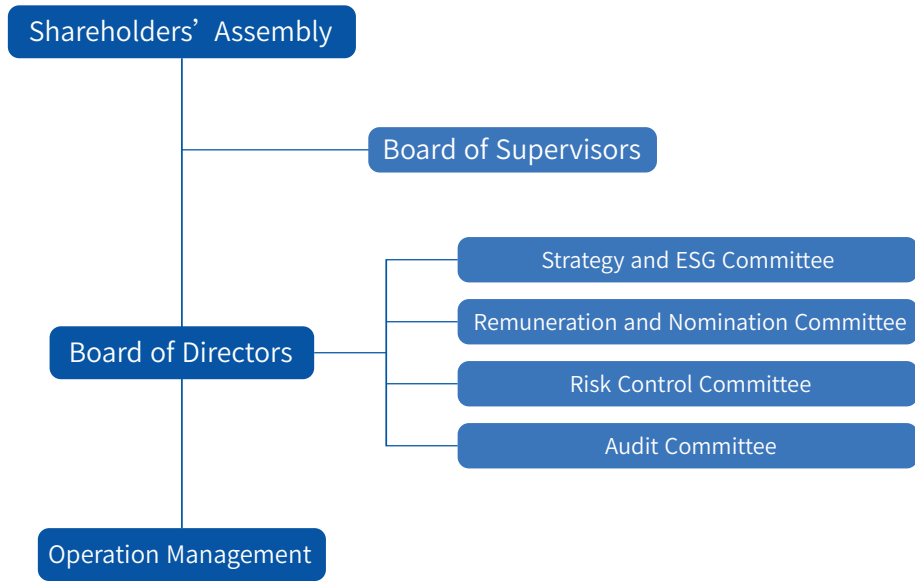


## Lean Corporate Governance

Caitong Securities strictly follows the laws and regulations such as the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, as well as the rules set forth by the China Securities Regulatory Commission and the Shanghai Stock Exchange. The Company adheres to governance principles that are independent, mutually cooperative, clearly define powers and responsibilities, and ensure effective checks and balances. This has resulted in a modern corporate governance system characterized by the unified leadership of the Party committee, strategic decision-making by the board of directors, independent supervision by the board of supervisors, and legal operations by the management team.

### Operation of Three Governing Bodies

We have established a corporate governance structure comprised of the shareholders' assembly, the board of directors, the board of supervisors, and the operation management, referred to as the "Three Meetings and One Layer." Each level operates within its authority, fulfilling its respective duties and responsibilities to ensure the Company operates in a regulated manner and maintains stable operations.



In 2024, the Company held:

3 Shareholders' Assembly, reviewing and approving 18 proposals;; 7 meetings of the board of directors, reviewing and approving 58 proposals; 12 meetings of various special committees of the board of directors, reviewing and approving 53 proposals; 5 regular meetings of the board of supervisors, reviewing and approving 31 proposals.

## Board Independence and Diversity

We believe that the diversity, independence, and professionalism of the board members are key factors in safeguarding shareholder interests and maintaining the long-term stability of the Company. To this end, we evaluate the composition of the board members from multiple dimensions, including professional experience, skill sets, tenure, cultural education, and gender competency. The current board members come from various industries, with professional fields covering law, risk management, accounting, finance, and more, which contribute to the board's ability to make informed decisions.

### Board of Directors

The board consists of 11 directors, including 4 independent directors, 1 employee director, and 1 female director.

Independent directors account for 36.36 %

## Information Disclosure

The Company strictly adheres to relevant laws and regulations, including the *Securities Law of the People's Republic of China* and the *Information Disclosure Management Measures for Listed Companies*, fulfilling its information disclosure obligations in a timely manner through various forms such as annual reports and interim reports. In 2024, the Company prepared and disclosed a total of 111 announcements and documents, achieving zero supplementary disclosures and zero corrections. The information disclosure work was once again awarded an A-class rating by the Shanghai Stock Exchange, and for two consecutive years, it received the "Best Practices in Corporate Secretarial Office of Listed Companies" award from the China Association for Public Companies.





## Investor Relations Management

The Company continuously enhances information exchange with investors and potential investors in accordance with relevant laws and regulatory documents, such as the *Guidelines for Investor Relations Management of Listed Companies* and the *Shanghai Stock Exchange Self-Regulatory Guidelines No. 1 – Standardized Operations*, aiming to maximize company value and shareholder interests.

In 2024

The Shanghai Stock Exchange Interactive E-platform responded to **84** questions.

We actively "go out" and "bring in," organizing or participating in **25** research and roadshow events, covering over **50** institutions, and holding **3** performance briefing meetings.

In 2024

**2** distributions of equity are planned, with a dividend of CNY **0.10** per share for the 2023 fiscal year and CNY **0.05** per share for the first three quarters of 2024, resulting in a total cash dividend distribution of CNY **697** million.

We value communication and interaction with investors, constantly exploring ways and means of “going out” and “bringing in.” We promote the realization of market value through multiple matrices and dimensions, reasonably guiding expectations, telling the story of financial state-owned enterprises well, and striving to enhance market attention. During the reporting period, 12 research institutions issued 89 reports, listing Caitong Securities as a recommended target in their portfolios, or assigning “Buy,” “Overweight,” or “Strong Buy” ratings.

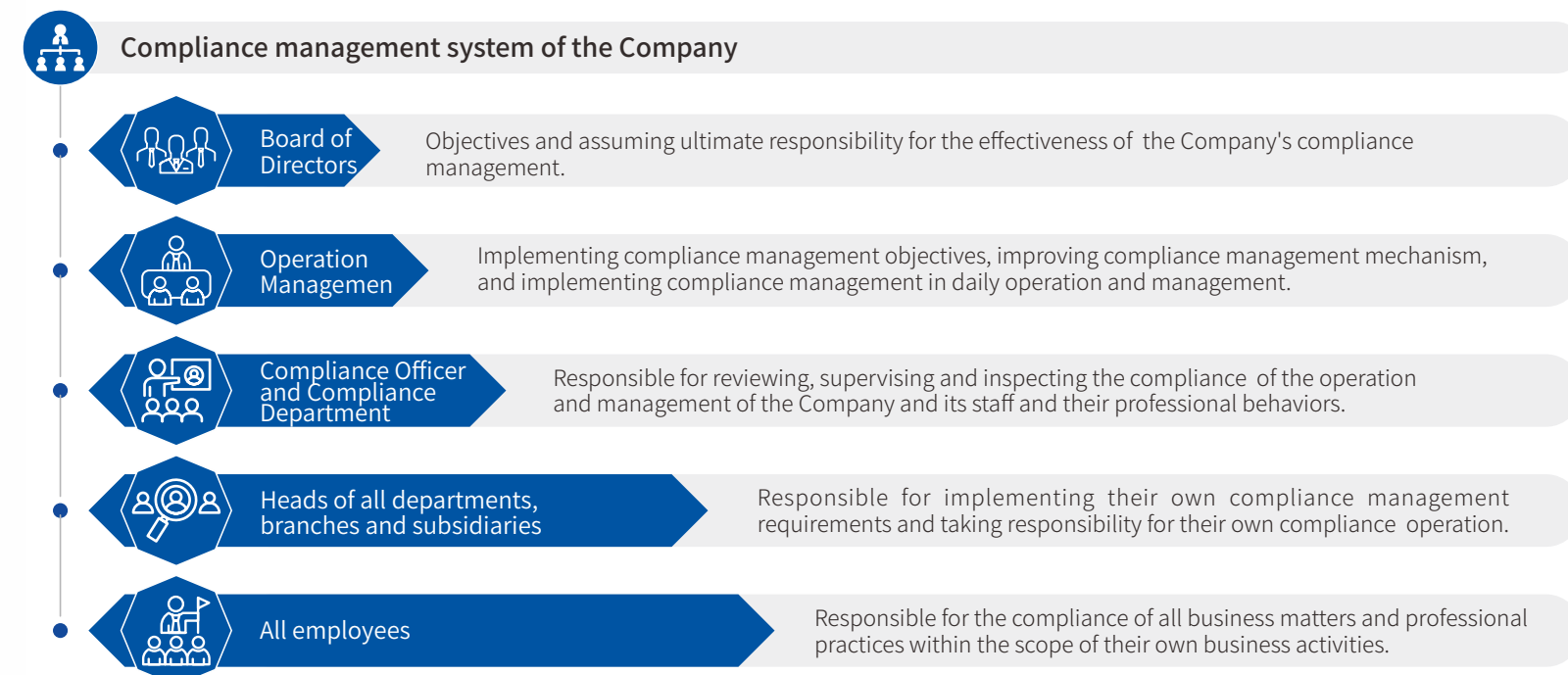


## Lawful and Compliant Operations

The Company strictly complies with the requirements of relevant laws and regulations, including the *Securities Law of the People's Republic of China*, the *Regulations on the Supervision and Administration of Securities Companies*, the *Compliance Management Measures for Securities Companies and Securities Investment Fund Management Companies*, and the *Securities Association of China's Compliance Management Implementation Guidelines* issued by the China Securities Industry Association. A comprehensive internal compliance management system is established, clearly defining the compliance management responsibilities at all levels of the Company, along with performance assurance and operational mechanisms.

### Compliance Management System

The Company places a high priority on compliance management and has established a robust compliance management system that covers various aspects, including compliance policies, compliance processes, and compliance supervision. In 2024, we continued to enhance the compliance system, revising regulations such as the *Employee Professional Conduct Compliance Measures*, the *Compliance Officer Performance Evaluation Guidelines*, the *Key Monitored Account Implementation Rules*, and the *Abnormal Trading Management Procedures*. These regulations ensure the compliance management of the Company's business activities and employees' professional conduct, and we have established a comprehensive compliance management organizational structure. During the reporting period, the Company did not encounter any major compliance risk incidents.



In 2024

achieved **100** % compliance review coverage for significant matters in the Company's operations.

In 2023

selected for the securities company “whitelist”



Key Areas	Our Actions and Achievements
Improvement of the Compliance System	<ul style="list-style-type: none"><li>Closely follow the latest requirements of external laws, regulations, and supervisory rules, and timely enhance the construction of internal supporting systems, internalizing specific requirements into the Company regulations.</li><li>Revise the <i>Employee Professional Conduct Compliance Measures</i> to comprehensively manage employees' professional behaviors and prevent and control compliance risks arising from misconduct.</li><li>Promote the construction of a group-wide compliance management digital platform, collecting over 200 compliance management data points from subsidiaries throughout the year, breaking down tasks into 3 major categories and 6 items, and tracking and supervising on monthly.</li></ul>
Strengthening Compliance Education	<ul style="list-style-type: none"><li>Focus on promoting compliance culture by conducting a series of warning education sessions on "strong regulation, zero tolerance" and centralized learning activities on "learning from cases, maintaining the bottom line," reviewing and organizing studies on 11 cases of violations by securities practitioners.</li><li>Study regulatory cases to clarify the compliance practice bottom line, review a total of 263 penalty cases related to securities research, wealth management, and investment banking, and formulate an analysis report to be published company-wide.</li></ul>
Supporting Business Development	<ul style="list-style-type: none"><li>Innovatively monitor investment behaviors of personnel in investment, investment banking, and research sectors, developing our own monitoring model and processing 230 early warnings.</li><li>Implement new regulatory requirements and dynamic inspection demands, organize internal special self-inspections within the group and form reports.</li></ul>

## Anti-Money Laundering

The Company strictly fulfills its obligations as a financial institution in anti-money laundering efforts, continuously deepening the internal control management system for anti-money laundering. We have revised five internal control systems, including the *Anti-Money Laundering and Counter-Terrorist Financing Basic System*, implemented a centralized operating model for anti-money laundering, improved the customer affiliation management mechanism, and comprehensively upgraded the anti-money laundering monitoring system. We developed in-house suspicious transaction monitoring models and customer money laundering risk rating models, while continuously conducting risk assessments, supervisory inspections, and training and promotional activities. During the reporting period, the Company did not experience any money laundering risk events.

Key Areas	Our Actions and Achievements
Optimizing the Anti-Money Laundering Operating Model	<ul style="list-style-type: none"><li>Developed and launched the <i>Anti-Money Laundering Centralized Operations Model</i>, consolidating certain key anti-money laundering tasks from branch offices to headquarters for centralized handling. Established a unified sampling mechanism for non-suspicious cases at the headquarters, promoted the resolution of the customer affiliation management mechanism for "one person with multiple accounts," and improved the "customer-based" management framework.</li></ul>
Enhancing Anti-Money Laundering System Functions	<ul style="list-style-type: none"><li>Customized the development of a new generation anti-money laundering monitoring system to further enhance the interoperability of customer information and the cross-sharing of monitoring results, creating a management closed loop with "one starting point and one chain."</li></ul>
Strengthening the Effectiveness of Risk Monitoring and Early Warning	<ul style="list-style-type: none"><li>Built an anti-money laundering model laboratory to explore case characterization, characteristic index formulation, and indicator modelling. Conducted in-house development of suspicious transaction models to continuously improve the accuracy of risk monitoring and early warning. The number of suspicious transaction reports increased by 60% compared to the previous year.</li></ul>

## Business Ethics and Anti-Corruption

The Company strictly abides by the requirements of the *Provisions on the Professional Integrity of Securities and Futures Business Institutions and Their Employees*. We have revised the *Management Measures for Integrity and Professional Conduct of Caitong Securities Co., Ltd.* to comprehensively improve the long-term management mechanism for integrity and professional conduct from various aspects, including institutional construction, leadership mechanisms, division of responsibilities, internal control measures, information systems, and cultural development. A closed-loop management system has been established for pre-event, in-event, and post-event stages.

The Company's board of directors determines the goals of integrity and professional conduct management and is responsible for its effectiveness. The main responsible person of the Company serves as the primary individual accountable for implementing integrity management responsibilities, while heads of departments and units bear corresponding management responsibilities within their areas of authority.

### During the reporting period

The Company and its branches did not experience any corruption lawsuits against the Company or its employees.

The Company and its employees did not face any external handling, including administrative regulatory measures or higher, due to violations of the integrity and professional conduct regulations.

Key Areas	Our Actions and Achievements
Integrity Culture Construction	<ul style="list-style-type: none"><li>High standards are implemented to carry out the "Integrity and Efficiency Protection Project," using the "Integrity and Financial Harmony" brand for integrity culture construction as a guiding principle. This includes integrating business ethics, anti-corruption, and integrity culture into the promotion system, such as organizing artistic exhibitions, upgrading educational platforms to launch nine special columns, and compiling and distributing 126 issues of learning materials.</li></ul>
"Integrity and Efficiency" Supervision Mechanism Reform	<ul style="list-style-type: none"><li>We are comprehensively deepening the reform of the "Integrity and Efficiency" supervision mechanism, which aligns with the characteristics of the securities industry. This involves integrating disciplinary supervision and compliance supervision, forming a key area "Integrity and Efficiency" supervisory task force, and launching a digital platform for "Integrity and Efficiency" supervision. Supervisors will be assigned to business lines to ensure that supervision is embedded in operations and reaches all levels. A total of 117 employee discussions and 12 integrity promotion sessions have been conducted.</li></ul>
Comprehensive Supervision System Construction	<ul style="list-style-type: none"><li>We are deepening the establishment of a comprehensive supervision system that extends horizontally and vertically, reinforcing the transparency and coverage between the parent company and its subsidiaries, and promoting supervisory efforts downward and outward.</li></ul>
Supplier Anti-Corruption	<ul style="list-style-type: none"><li>The integrity clause specified in Article 21 (10) of the Company's procurement implementation regulations clearly states: it is strictly prohibited for Party B to provide any improper benefits to personnel of Party A in any form, such as personal conveniences, bribery, or abnormal business entertainment. Additionally, if Party B encounters requests for benefits or difficulties imposed by personnel of Party A during contract execution, it may report to the disciplinary inspection department of Party A.</li></ul>



## Case Caitong Securities Holds "Integrity and Financial Harmony" Art Performance Exhibition

On October 31, Caitong Securities held an art performance exhibition focused on integrity. During the event, the "Integrity and Financial Harmony" integrity culture brand and ten "No" integrity culture slogans were officially announced. In his speech, Caitong Securities Chairman Zhang Qicheng stated that this event, themed around integrity and guided by collaboration, integrates integrity into scenic presentations, discipline into case studies, and education into entertainment. The aim is to deeply merge integrity culture construction with the "Five Do's and Five Don'ts" of China's financial culture and with the principles of "integrity, compliance, professionalism, and prudence" in the securities industry, ultimately enhancing the awareness of integrity among employees and fostering a positive atmosphere of diligence and integrity.



## Whistleblowing & Complaints Channel

The Company publicly provides the disciplinary inspection mailbox and the complaint work email address through its official website and other channels. Any disciplinary violation or irregularity can be reported via the email address, and anonymous reporting is encouraged. We strictly enforce the *Securities Company Supervision and Administration Regulations* and the *Disciplinary Inspection Agencies' Rules on Handling Accusations*. We are committed to protecting the rights of whistleblowers and strictly prohibit employees from disclosing relevant information to the reported individuals or those under investigation. Retaliation against whistleblowers and those holding differing opinions is strictly forbidden. Additionally, it is clarified that whistleblowers have the right to apply for protection if their lawful rights are threatened or infringed upon due to their reports or complaints.

 In-Person  
Whistleblowing

 Hotline  
Whistleblowing

 Email  
Whistleblowing

## Intellectual Property Protection

The Company strictly adheres to the *Trademark Law of the People's Republic of China*, the *Patent Law of the People's Republic of China*, and the *Copyright Law of the People's Republic of China*, fully respecting and legally protecting its own and others' intellectual property rights. At the same time, it extends its financial services into the intellectual property sector, innovating financial products to effectively activate the intangible assets of small and medium-sized enterprises and enhance developmental momentum.

## Case Caitong Securities successfully Issues Hangzhou High-tech Zone (Binjiang) First Intellectual Property ABS

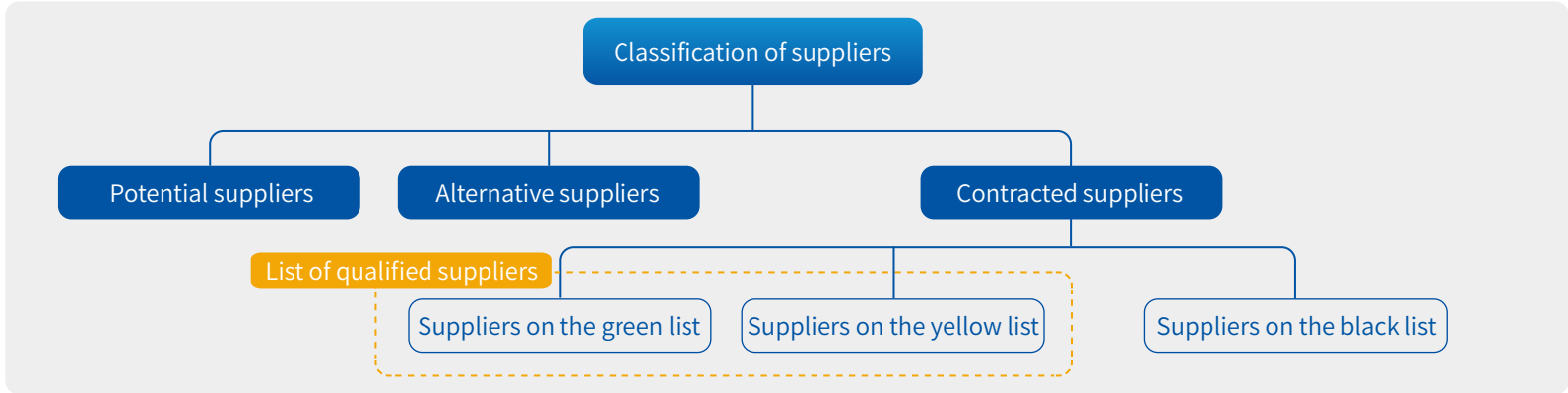
In December 2024, the first intellectual property asset-backed securities (ABS) in the Hangzhou High-tech Zone (Binjiang), titled "Caitong - Hangzhou Binjiang Intellectual Property Phase 1 Asset-backed Special Plan (Technology Innovation)," was successfully issued. This also marks the first asset securitization product in the country that includes copyright in gaming and animation. Caitong Securities served as the financial advisor for this project, while Caitong Asset Management acted as the plan manager. We provided innovative financing solutions centered around the intellectual property of 114 projects from 13 high-quality small and medium-sized technology enterprises, ultimately achieving a direct financing scale of CNY 104 million with a coupon rate of 2.34%.





## Supplier Management

As a financial enterprise, the Company strictly adheres to the *Bidding Law of the People's Republic of China* and the *Government Procurement Law of the People's Republic of China*, and has established the *Procurement Supplier Management Rules*. We have set up a mechanism for evaluating procurement suppliers, which clearly defines the selection, admission, and management processes for suppliers, providing support for the Company's bidding and procurement activities. At the same time, we implement a "zero tolerance" policy for suppliers engaging in significant breaches of contract, fraud, commercial bribery, or providing false qualifications. Once verified, such suppliers will be blacklisted, resulting in the permanent termination of cooperation and the reservation of legal accountability rights.



## Network and Data Security

The Company places a high emphasis on network and data security management, strictly adhering to the requirements of relevant laws and regulations such as the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, and the *Personal Information Protection Law of the People's Republic of China*. We focus on strengthening and standardizing network and data security management and personal information protection, ensuring the security of company data, fulfilling the obligation to protect customer privacy information, and ensuring the legality and compliance of the use of customer privacy information. During the reporting period, the Company did not experience any incidents related to national security leaks, nor did it encounter any negative events related to information security and customer privacy.

### Caitong Securities Network and Data Security Management Framework

Board of Directors	Responsible for formulating the strategic direction and major policies for the Company's network and data security, and accountable for the effectiveness of network and data security management.		
Operation Management	Responsible for implementing network and data security management goals and accountable for network and data security management work.		
IT Governance Committee	Responsible for formulating information technology strategies and reviewing related matters.	Data Governance Committee	The deliberative and decision-making body for the Company's data security management work.

During the reporting period, the Company continuously strengthened its management system and institutional development, conducting annual internal and external audits of information systems to fully ensure network and data security.

Key Areas	Our Actions and Achievements
Management System and Institutional Development	<ul style="list-style-type: none"><li>A cybersecurity and information security leadership group and an information security management team have been established, with clearly defined responsibilities to oversee top-level design, overall layout, coordination, comprehensive promotion, supervision, and implementation of information security work.</li><li>Institutional documents have been formulated, including the <i>Network and Information Security Management Measures</i>, <i>Data Governance Measures</i>, <i>Data Security Management Measures</i>, and <i>Data Classification and Grading Management Rules</i>, to standardize data security management requirements, ensuring unified management, continuous control, and secure storage of data.</li></ul>
Technology and Measures	<ul style="list-style-type: none"><li>Virtualization technology has been adopted to deploy a network security defense and monitoring system that includes a Web application firewall, a security situation awareness analysis platform, and a honeypot early warning system. This has reduced the number of physical servers, lowered energy consumption, and enhanced network security protection capabilities.</li><li>The transformation of infrastructure to be independently controllable is being promoted by using domestically produced operating systems, chips, servers, and other products to reduce reliance on external technologies and improve the resilience and security levels of the supply chain.</li><li>The procurement and deployment of a Software Composition Analysis (SCA) system have been completed, strengthening the security governance framework for open-source software and enhancing defenses against malicious attacks.</li></ul>
Emergency Response and Drills	<ul style="list-style-type: none"><li>In 2024, the <i>Cybersecurity Incident Emergency Response Plan</i> and the <i>Cybersecurity Incident Reporting and Investigation</i> were revised, improving emergency plans for extreme internal and external scenarios, and categorizing all information systems within the Company. A "single account" data record of the Company's application systems has been formed to promote a closed-loop control of the application system lifecycle.</li><li>Throughout the year, 572 emergency drill sub-tasks were organized, including three disaster recovery switching drills, one industry drill, and multiple disaster recovery switching drills before the UF30 launch, as well as warm standby switching and UF30 certification escape drills, improving the comprehensiveness and effectiveness of emergency drills.</li></ul>

### Information Security Training Status

Indicator		Unit	2022	2023	2024
Information Security	Number of Training Sessions	Times	4	4	6
	Number of Participants	Persons	All employees	All employees	All employees
	Training Coverage Rate	%	100	100	100
	Average Hours of Information Security Training per Employee	Hours	2	3	3.6



Customer Privacy Protection

The Company places a high emphasis on customer privacy protection and has established a comprehensive governance system to ensure the security of customer information. After 2024, the Company set up a Customer Information Protection Task Force under the leadership of the Cybersecurity and Information Security Leadership Group, responsible for coordinating and advancing customer information protection efforts. Following the principle of "ensuring security while promoting development," the Company aims to build and improve mechanisms for safeguarding customer information security. As per the "Securities Law of the People's Republic of China," the "Cybersecurity Law of the People's Republic of China," the "Personal Information Protection Law of the People's Republic of China," the "Data Security Law of the People's Republic of China," the "Cybersecurity and Information Security Management Measures for the Securities and Futures Industry," and the Caitong Securities Co., Ltd. Network and Information Security Management Measures, among others, the Company formulated the Customer Information Protection Management Measures of Caitong Securities Co., Ltd. This document clarifies that all employees must strictly implement privacy protection requirements, including data classification control, access authorization, and encryption and desensitization, in all aspects of handling customer personal information, including collection, transmission, storage, use, deletion, and destruction, to ensure the security of data assets. During the reporting period, the Company did not experience any incidents of customer privacy leakage.

Key Areas	Our Management Practices
Customer Information Collection	<ul style="list-style-type: none"><li>The Company strictly follows the "minimum necessary" principle during the information collection process and ensures the legality of information usage through customer-informed consent mechanisms.</li><li>During the use of this information, the Company employs techniques such as data anonymization and encryption to ensure the security of sensitive customer information.</li></ul>
Customer Information Storage and Use	<ul style="list-style-type: none"><li><b>Paper Information Management:</b> Documents containing customer information generated during business operations are managed by designated personnel, who are responsible for timely organization, archiving, uniform storage, and safekeeping. Access requires strict adherence to approval processes.</li><li><b>Electronic Information Management:</b> Electronic customer information inputted into the Company's business systems is recorded, stored, and managed by each respective system. Access is controlled through permissions, allowing only authorized personnel to query and maintain customer information. The Company strictly enforces the business system permissions approval system and conducts regular checks on permission usage.</li><li><b>Confidentiality Requirements:</b> The Company keeps customer information confidential, prohibiting the leakage, sale, dissemination, or misuse of customer information against their will, except as required by laws, regulations, or demands from authorized government agencies.</li><li><b>Permission Settings:</b> Permissions are reasonably set according to the principle of "clear division of labor, minimum permissions," specifying the processes for querying and using customer information, and establishing a rigorous, tiered approval and control system for queries and usage.</li></ul>
Information Technology Security Protection	<ul style="list-style-type: none"><li><b>System Construction:</b> The Company enhances its information technology systems, including measures such as network isolation, user authentication, data encryption, data backup, data destruction, virus prevention, and illegal intrusion detection, to protect customer information security.</li><li><b>Monitoring and Protection System:</b> A comprehensive customer information security monitoring and protection system is established, with improved system function modules. This ensures that system logs can accurately and comprehensively record customer information queries and download operations in a timely manner, ensuring traceability of information leakage incidents.</li><li><b>Third-Party Management:</b> The Company supervises and manages third-party service providers related to information technology, requiring them to fulfill confidentiality obligations to ensure the security of financial and customer information. Regular evaluations of third-party service providers' protective capabilities are conducted, and cooperation is promptly terminated if deficiencies are found.</li></ul>

Personnel Management and Education

- Prohibited Actions:** The Company prohibits employees from collecting customer information unrelated to business, coercively collecting information, obtaining information through improper means, collecting beyond the prescribed scope or frequency, violating confidentiality protocols, or using information for unjust gains.
- Confidentiality Agreements:** All employees are required to sign a "Confidentiality Agreement" upon joining the Company, clarifying their responsibilities related to information security. Personnel involved in handling customer information, including outsourced labor, external collaborators, and interns, must also sign the "Confidentiality Agreement."
- Training and Education:** The Company regularly organizes information security training and awareness activities for employees, aimed at enhancing their awareness of information security and compliance. Educational initiatives for investor personal information security are strengthened through investor lectures and customer follow-ups.

Inspection and Accountability Mechanism and Emergency Response

- Internal Mechanism:** The Company has established an internal monitoring, inspection, accountability, and correction mechanism covering all employees to promptly identify and manage potential risks.
- Reporting and Verification:** If employees discover suspected customer information leakage or violations of confidentiality protocols, they should promptly report to their department heads and initiate an initial verification. If it is found that company personnel or business activities have caused information leakage, a thorough investigation should be conducted, and risks should be promptly addressed.
- Risk Inspection:** The Company has established a customer information leakage risk inspection mechanism, employing regular or irregular self-checks, compliance checks, audit inspections, and business checks to timely identify violations and take effective measures to mitigate risks.
- Emergency Drills:** The Company's risk management department organizes at least one emergency drill each year to enhance the ability to respond to information security incidents, and an emergency drill report is archived for records.

Case Caitong Securities App Passes Securities and Futures Industry App Security Certification

In 2024, the Caitong Securities App successfully passed the mobile internet application security certification for the securities and futures industry and received the product certification certificate. This further verifies the app's good security quality and the level of protection for customer privacy information.

	财通证券	财通证券股份有限公司	大商所飞泰测试技术有限公司	CSTECH-01-20240015 (iOS版)	有效
				CSTECH-01-20240016 (Android版)	有效



## Strengthening Risk Management

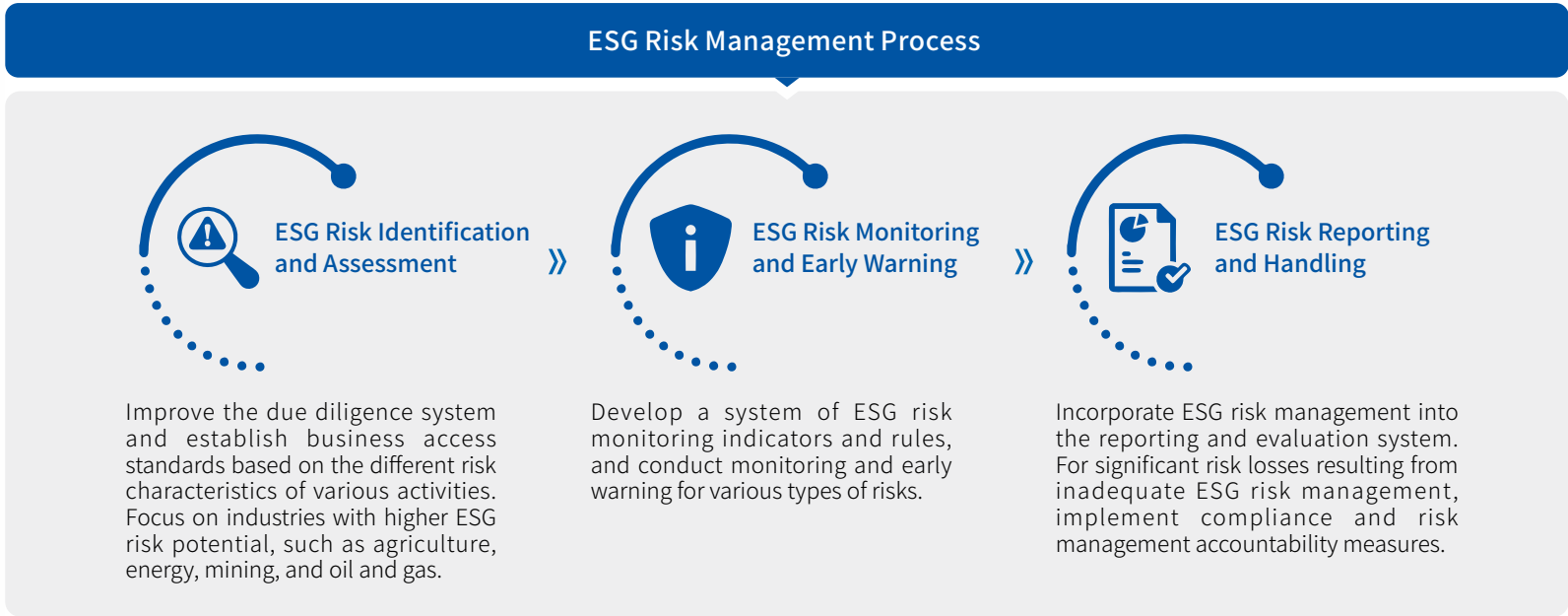
The Company strictly adheres to regulatory frameworks such as the *Comprehensive Risk Management Guidelines for Securities Companies*, the *Measures for the Management of Risk Control Indicators of Securities Companies*, and the *Liquidity Risk Management Guidelines for Securities Companies*. It has established a complete system that encompasses both the parent company and its subsidiaries, with clearly defined objectives, principles, organizational structure, division of responsibilities, and basic processes concerning risk management.

### Risk Management Structure

As per comprehensive risk management requirements, the Company has established a well-defined, four-tier risk management organizational framework with clear divisions of responsibilities and reporting lines. This structure includes four levels: the Board of Directors (Risk Control Committee), the Board of Supervisors, the Operation Management (Risk Management Committee), the Risk Management Department, the Compliance Department, and various functional departments, as well as business units and subsidiaries.



Caitong Securities actively builds an ESG risk management framework across various business activities, including investment trading, credit, investment banking, and customer asset management. In certain areas of business, ESG risk considerations are made based on the characteristics of the activities. Before engaging in credit-related business, ESG due diligence is conducted, and a risk assessment is completed to ensure that the operations are carried out in an orderly manner within an acceptable range of ESG risks.



### Risk Management System

The Company continuously establishes and improves a three-tier risk management system in accordance with the requirements of the *Comprehensive Risk Management Guidelines for Securities Companies*. The first tier consists of the basic company regulations guided by the *Basic Regulations for Risk Management*. The second tier includes core risk management regulations based on different types of risks, such as market risk, credit risk, operational risk, and reputational risk, as well as core regulations developed for specific tasks related to risk control indicators, risk limit management, emergency risk management, and new business risk management. The third tier comprises specific implementation rules formulated based on the core risk management regulations, including risk management mechanisms for various business activities and specific risk management regulations concerning subsidiary risk management, stress testing, risk management evaluation, risk management accountability, and model management.

### Categories of Significant Risks and Response Measures

The risks faced by the Company in its operations mainly include: market risk, credit risk, liquidity risk, operational risk, information technology risk, and reputational risk. The Company firmly upholds the bottom line of preventing significant risks, and during the reporting period, no significant risk events occurred.



Major Risk Categories	Measures
Market risk refers to the risk of losses in a company's investment portfolio due to unfavorable changes in market variables. It primarily arises from proprietary securities, market-making, and other investment activities, and is mainly divided into equity price risk, interest rate risk, commodity price risk, and foreign exchange risk.	The Company has established a top-down risk limit management system, setting market risk tolerance and overall risk limits according to its risk appetite, and refining these limits across various business lines. The board of directors determines significant risk limits such as the annual scale of proprietary business, market risk loss tolerance, and loss limits. The operation management then breaks down these limits and approves corresponding risk limits, covering multi-dimensional indicators like business scale and loss limits. Relevant business departments further refine the departmental risk limits based on these foundations and implement risk control measures through portfolio investments, daily market monitoring, hedging, and risk warning systems. The Company continuously improves management processes and information technology systems, monitoring market risk limits daily, and providing timely warnings and controls; it also employs stress testing and multi-dimensional assessment methods to analyze and evaluate the market risks faced by the company, monitor investment portfolio trends, and reveal risks to provide references for decision-making.
Credit risk is the probability of loss resulting from the failure of a borrower, counterparty, or issuer to fulfill their contractual obligations, or the potential loss due to changes in the credit ratings of borrowers, counterparties, or issuers, leading to variations in the market value of their debts. The Company's credit risk stems from defaults in credit products, defaults by securities credit business clients, and defaults by counterparties in over-the-counter derivative transactions, manifesting as the potential for losses from bond defaults, credit rating downgrades, and client and counterparty defaults.	To address credit risk, the Company has implemented various control measures: in the securities credit business, it conducts credit management through due diligence and reviews, implements collateral and subject eligibility management, controls client financing scales and collateral concentration, and enhances real-time monitoring; in the bond investment business, it utilizes an internal evaluation system to assess issuer risks, sets investment grade admission standards, tracks the operational and credit conditions of issuers, and promptly adjusts holdings of bonds on the negative list while clarifying the default handling process; in the derivatives trading business, it manages credit for counterparties, adopts risk mitigation measures such as net settlement, derivative hedging tools, and early termination options, and clarifies the handling processes for defaults and early termination events.
Liquidity risk refers to the risk that a company is unable to obtain sufficient funds in a timely manner and at a reasonable cost to meet maturing debts, fulfill other payment obligations, and satisfy normal business operational funding requirements.	The Company optimizes management processes and systems, strengthens intraday liquidity management and daily financing management, implements liquidity risk indicator monitoring and limit management, conducts liquidity management for high-rated bond assets, establishes a three-tier reserve pool, improves the liability structure, reinforces financing channels, and enhances information systems to cope with liquidity pressure. During new investments or the initiation of new businesses, liquidity risk indicators are subjected to stress testing based on business characteristics, and the results are applied to the Company's relevant decision-making processes.
Operational risk is the risk of losses resulting from deficiencies in internal processes, information system failures, employee errors or misconduct, and external factors.	The Company has clarified the organizational structure and responsibilities for operational risk, management processes, and cultural development, reinforcing responsibilities across various lines of defense. By strengthening business processes and system construction, conducting training and awareness campaigns, and enhancing accountability, the Company aims to reduce the likelihood of operational risk occurrences. Tools such as key indicators, loss data collection, and self-assessments are utilized to enhance management capabilities. The Company pays attention to the identification and control of operational risks associated with innovative products and business operations, establishing management systems and processes for new businesses, clearly defining the necessary conditions and approval pathways, and ensuring that the organizational structure, business model, and risk conditions of new businesses are thoroughly validated to maintain overall operational risk at a controllable and acceptable level.

Information Technology Risk refers to the potential risks to the information systems that companies rely on during their operations and business activities, which may face unexpected events such as hardware and software failures, communication line failures, and malicious intrusions. These risks can impact the Company's reputation and service quality, and may even lead to economic losses and legal disputes.	The Company continuously improves its institutional framework, implements a cybersecurity responsibility system, and establishes and perfects the network and information security assurance system. It conducts hierarchical management of information systems, deepens risk monitoring and early warning efforts, strengthens hazard identification and remediation, and enhances the operational support capabilities for critical information systems. Additionally, the Company promotes the construction of a risk culture and strengthens the safety awareness and skill training of its personnel. It establishes and enhances the security management control system for branch information systems and optimizes mechanisms for effective communication and sharing of information technology risks.
Reputation Risk arises when the actions of securities firms, external events, or violations of integrity regulations, professional ethics, business norms, and industry agreements by their personnel result in negative evaluations from investors, issuers, regulatory agencies, self-regulatory organizations, the public, and the media. This can damage the brand value of the securities firm, hinder its normal operations, and potentially affect market stability and social stability.	The Company incorporates reputation risk management into its comprehensive risk management system, establishing a management mechanism to proactively prevent reputation risks and respond to reputation risk events. It identifies, assesses, controls, monitors, responds to, and reports on reputation risks in its operations and management, aiming to minimize and mitigate the losses and negative impacts of reputation events on the Company, stakeholders, and the industry. During the reporting period, the Company continuously enhanced reputation risk monitoring and early warning in key areas according to internal and external regulations and requirements, conducted special public opinion monitoring in these areas, and consistently improved the efficiency of rapid response and handling of reputation risks. Systematic special training is carried out hierarchically to continuously raise employees' awareness of reputation risk prevention.

## Risk Culture Development

The Company is committed to deeply integrating risk culture into its business operations, focusing on creating a forward-looking risk control system.

Key Areas	Our Actions and Achievements
Building a Risk Management Culture	The Company produces a series of specialized courses titled "Risk Control Micro-Knowledge," and organizes group risk management work meetings, specialized training sessions, regular business department meetings, and periodic publications to promote the company's risk culture, interpret risk policies, and share comprehensive risk concepts and professional experiences.
Exerting the Leading Role of Assessment	The Company incorporates risk management into performance assessments and accountability, continuously optimizing the risk management assessment mechanism, and fostering an internal culture that respects the market, adheres to rules, and acknowledges risks.



# S Social

## Riding the Tide of Progress to Nourish All Industries



Caitong Securities has always adhered to its original intention of serving the real economy, based on the political, people-oriented, and functional dimensions of financial work. It seizes new opportunities in the policy market, positioning itself as "a Securities Company of Zhejiang Entrepreneurs and Enterprises," deeply integrating into the national development strategy, and continuously promoting its new brand "Upholding Integrity and Harmony in Pursuit of Dreams." We build a symbiotic bond between industry and finance through responsible investing, reshape customer service quality with digital finance, forge a professional engine with a "talent-driven enterprise" strategy, and activate public welfare energy with a common prosperity gene. This allows warm financial power to connect industrial revitalization, talent cultivation, inclusive livelihoods, and social prosperity, constructing a value bridge linking national strategy with the well-being of the people, and striving to write Caitong's response to the "Five Key Areas" of finance."

This chapter strictly follows the requirements of the *Shanghai Stock Exchange Listed Company Self-Regulatory Guidelines No. 14 – Sustainability Report (Trial)*, and specifically corresponds to Chapter 4 of the guideline document, titled "Disclosure of Social Information." The content of this chapter will comprehensively cover all subsections under this chapter, including Section 1 "Rural Revitalization and Social Contribution," Section 2 "Innovation-Driven Development and Ethical Technology," Section 3 "Suppliers and Customers," and Section 4 "Employees," providing detailed discussion and analysis for each subsection.



### SUSTAINABLE DEVELOPMENT GOALS

This chapter contributes to the United Nations Sustainable Development Goals (SDGs)





## Practicing Responsible Investment

Caitong Securities is deeply rooted in the genes of sustainable development, with the mission of "leading green transformation through responsible investment." The Company has formulated and released the " *Responsible Investment Statement of Caitong Securities Co., Ltd.*," continuously improving the responsible investment process before, during, and after investment, and further deepening the practice of responsible investment while perfecting the responsible investment system. In 2024, the Company will comprehensively upgrade its responsible investment framework, systematically guiding resource allocation towards a high-quality, low-carbon economy.

### Long-Term Goals for Responsible Investment

We deeply understand and steadfastly uphold the political imperative and public-service nature of financial work. By integrating responsible investment principles into our development strategy and fully incorporating ESG criteria into every investment decision, we harness financial tools to drive sustainable social progress.

Key Areas	Our Actions and Achievements
Advancing Zero-Carbon Transition	With the national "dual carbon" strategy as the framework, we focus on eight key areas for carbon neutrality, including power, transportation, and industry. Through innovative green financing instruments and targeted capital allocation, we accelerate the transformation of high-carbon industries and scale up emerging clean technology sectors.
Building an ESG Closed-Loop Risk Control System	We deeply integrate ESG factors into the entire chain of "pre-investment screening - monitoring during investment - post-investment empowerment," achieving quantitative assessment of climate risks, dynamic tracking of transformation technologies, and accurate accounting of carbon benefits, ensuring that each investment carries both environmental value and financial returns.
Promoting ESG Information Disclosure	We guide invested enterprises to pay attention to ESG governance and improve ESG information disclosure.
Co-creating a Sustainable Development Ecosystem	Through shareholder participation, resource linkage, and technology output, we promote invested enterprises to establish Science-Based Targets (SBTi) and build a green ecosystem that synchronizes capital, industry, and society, achieving a win-win for economic and ecological benefits.

### Responsible Investment Organizational Structure

The Company has established a clear three-level management structure for responsible investment: at the group level, it has set up the Strategy and ESG Committee, the Investment Decision-Making Committee, and the ESG Management Team to comprehensively promote ESG and responsible investment activities. Relevant departments at headquarters and subsidiaries have appointed ESG liaisons responsible for analyzing ESG issues and collaborating with third parties to conduct ESG-related training, continuously enhancing the professional capacity and management level of responsible investment. At the investment process level, ESG factors are integrated into the selection of investment targets and the decision-making process of the Investment Decision-Making Committee.

Levels of Responsible Investment	Corresponding Responsibilities
Strategy and ESG Committee	It serves as the supervisory role of the Company's responsible investment, in charge of comprehensive supervision over responsible investment matters
Investment Decision-Making Committee	It serves as the management role of the Company's responsible investment, in charge of comprehensive investment decision-making
ESG Management Team	It serves as the executive role of the Company's responsible investment, in charge of screening, evaluating and other work specific to the investment targets of responsible investment

### Responsible Investment Strategy

We actively implement the six Principles for Responsible Investment (PRI) established by the United Nations-supported PRI initiative and the seven investment strategies developed by the Global Sustainable Investment Alliance (GSIA). By formulating scientific investment approaches, we promote the deep integration of responsible investment principles with our business operations and optimize financial services provision.


Investment Strategy	Strategy Application and Practice	Involved Asset Classes
Positive Screening	When selecting sectors and establishing stock pools, we prioritize sectors and companies that excel in environmental, social, and corporate governance (ESG) performance based on overarching trends and judgments, integrating ESG principles. We focus on high-quality targets that align with national strategic development directions and uphold the concept of green development.	Equity Investment, Alternative Investment - Stock Ownership Investment
Negative Exclusion	By establishing a negative investment list, we exclude companies that lack social benefits, deviate from national environmental protection policies, or have environmental or safety accidents and violations that do not comply with sustainable development pathways.	Equity Investment, Alternative Investment - Stock Ownership Investment
ESG Factor Integration	We thoroughly integrate ESG strategies into practical research analysis and investment decisions, guiding researchers to analyze ESG factors alongside traditional financial metrics. This provides a comprehensive assessment of industry prospects and individual stock growth potential, forming a strong basis for investment decisions.	Fixed Income Investment, Alternative Investment - Stock Ownership Investment
Active Ownership	We encourage investee companies to proactively create positive environmental and social impacts, promoting the improvement of their sustainable development quality.	Alternative Investment - Stock Ownership Investment
Sustainable Themes	We issue ESG strategy products focusing on green economic sectors represented by new energy vehicles, supporting sustainable development for companies in industries such as photovoltaics, energy storage, and lithium batteries.	Fixed Income Investment
Impact Investing	Sustainable financial projects such as green bonds and rural revitalization bonds.	Fixed Income Investment



We explicitly require relevant business departments to incorporate ESG factors into all processes of equity investment, fixed income, and alternative investment across the Company, integrating the three important factors of environmental responsibility, social responsibility, and corporate governance into the investment decision-making.

Business Category	Inclusion Method
Equity Investment Business	When the Company conducts equity investments in listed companies, ESG factors will be incorporated into investment decisions. We will fully utilize ESG evaluation methods and establish a negative investment list. The focus will be on investment targets with ESG performance exceeding that of their peers, while those on the ESG negative investment list will be excluded from consideration.
Fixed Income Business	Summarize and analyze information about issuers regarding financial issues, environmental matters, corporate governance, and records of violations. Internal credit evaluation personnel will monitor this information, which will also be one of the prerequisites for inclusion into the investment pool.
Alternative Investment Business	During the due diligence phase, <i>Customer Environmental, Social, and Governance (ESG) Due Diligence Evaluation Form</i> will be incorporated into the workflow. In the investment decision-making phase, high-risk projects in equity investment that involve ESG evaluations must be submitted to the Investment Decision Committee for special evaluation, and can only be implemented after being reviewed and approved per relevant regulations. In the post-investment management phase, the ESG risk evaluation content and results will be included in the annual post-investment management report.

The Company will actively integrate the concept of engaged shareholders into its business practices, ensuring the long-term stable rights of investors and the Company, while promoting the investee companies to enhance their sustainable development levels. When exercising voting rights, we will not only consider general matters but also focus on key ESG issues, ensuring that ESG considerations are embedded throughout the entire voting process, thus driving investee companies toward sustainable development.

Case

### Caitong Capital Invests in KaiMao Precision Technology, Promoting Quality Upgrading in the High-End Equipment Manufacturing Industry

During the reporting period, the Jinkai Leading Phase I Fund managed by Caitong Capital completed an investment of CNY 30 million in Zhejiang KaiMao Precision Technology Co., Ltd., supporting the establishment of a production base for KaiMao Precision Technology in the Jinhua Development Zone, with a total investment of approximately CNY 5 billion. This investment fully reflects the concept of financial services supporting the real economy and responsible investment. In addition to providing financial support, Caitong Capital also collaborated closely with the investment promotion department of the Jinhua Development Zone government, banks, and Caitong Securities' investment banking department, providing tailored support in terms of investment promotion policies, financing channels, and professional consulting for the establishment and long-term development of the KaiMao Precision Technology production base.

Case

### Caitong Securities Educational Base Successfully Holds ESG-Themed Series of Activities

On August 14, 2024, the Caitong Securities Educational Base hosted two unique investor education events: the "Financial Powerhouse Blueprint and Investor Education for the People" lecture series and an investor roundtable discussion. This event was organized by the Shenzhen Stock Exchange and the Zhejiang Securities Regulatory Bureau, with Caitong Securities as the host and the Zhejiang Securities Industry Association and CaiLian Press as co-organizers. The aim was to enhance investors' understanding and awareness of ESG investment concepts, further facilitate communication channels for investors, and provide high-quality investor services to accelerate the achievement of the grand goal of building a financial powerhouse.



## Serving the Real Economy

As a securities firm affiliated with Zhejiang Province, we always uphold the fundamental purpose of "finance serving the real economy." We strive to create a "Four-Dimensional Caitong" that is innovation-driven, service-oriented, platform-based, and transformative. In areas such as technology finance, inclusive finance, and pension finance, we leverage our professional advantages to support high-quality economic development. Throughout the year, we facilitated direct financing for the real economy amounting to CNY 146.2 billion and have been awarded the first prize for "Outstanding Financial Institutions Supporting Zhejiang's Economic and Social Development" for seven consecutive years.

### Practicing Technology Finance

The Company actively responds to policy calls and implements the national innovation-driven development strategy, adhering to the priority of innovation. Relying on the construction of an innovation-friendly environment in Zhejiang, we focus on key areas such as "specialized, sophisticated, distinctive, and innovative" enterprises, technology innovation companies, and strategic emerging industries. We drive corporate operations with an industrial mindset and provide inclusive financial services in specialized science and technology parks, creating a dynamic financial ecosystem that precisely channels capital to hard-tech enterprises. We are determined to make significant contributions to the development of technological finance and support the growth of new productive forces.

#### Caitong Investment Banking

During the reporting period, we made every effort to promote the initiative for enterprises to list on the Beijing Stock Exchange, comprehensively strengthening the "investment banking + investment + research" triad mechanism, and creating a streamlined service to support "specialized, sophisticated, distinctive, and innovative" enterprises. Throughout the year, we visited over 1,000 "specialized, sophisticated, distinctive, and innovative" enterprises, ranking 8th in the industry by the number of market makers for the Beijing Stock Exchange.

#### Caitong Innovation

Caitong Innovation remains committed to focusing its investments on "hard technology," and continues to increase its efforts in industry research, equity investment, and providing value-added services to intelligent manufacturing, information technology, and healthcare-related industries and their specific sub-sectors. During the reporting period, three projects completed their IPO offerings. As of the end of the reporting period, the Company has cumulatively invested in 63 equity projects, resulting in 11 of its portfolio companies successfully listing via IPO, with a total leveraged investment amount of CNY 47.183 billion.

#### Caitong Capital

Added 14 new investments in specialized, sophisticated, distinctive, and innovative "little giants" and provincial projects, with more than 70% in sci-tech enterprises. The invested enterprise Yuxing Co. became the first company to pass the review on the Beijing Stock Exchange in 2024. Huikang Technology was selected as a national champion in a specific manufacturing sector, and Anada was successfully listed on the Shanghai Stock Exchange Main Board. A closed loop of "fundraising + industrial landing" was established, attracting over 100 high-quality projects and leveraging a total investment of CNY 145 billion.





Case

Caitong Securities Sponsors Specialized, Sophisticated, Distinctive, and Innovative "Little Giant" Hongxin Technology to Successfully List on the Growth Enterprise Market

On April 15, 2024, Zhejiang Hongxin Technology Co., Ltd., sponsored and underwritten by Caitong Securities, successfully listed on the Shenzhen Stock Exchange's Growth Enterprise Market. The Company focuses on serving specialized, sophisticated, distinctive, and innovative enterprises and continues to build "Caitong for Sci-Tech Innovation." Since 2023, it has aided five specialized, sophisticated, distinctive, and innovative enterprises in completing their IPOs. Hongxin Technology is a nationally recognized specialized, sophisticated, distinctive,, and innovative "Little Giant" enterprise, and its successful listing on the Growth Enterprise Market is another achievement of Caitong Securities in actively responding to national strategies for specialized and innovative enterprises, as well as a concrete practice in supporting the development of the automotive parts industry.



Case

Caitong Capital's Service for Zhejiang Province's "4+1" Ningbo CNY 5 Billion High-End Equipment Fund Successfully Launched

On August 30, the Zhejiang Province "4+1" Special Fund—Zhejiang Yongyuan Caitong FuZhe High-end Equipment Industry Equity Investment Partnership (Limited Partnership) (Yongyuan Caitong FuZhe Fund)—completed its filing, with Caitong Capital serving as the manager. The total scale of the Yongyuan Caitong FuZhe Fund is CNY 5 billion, focusing primarily on investments in the "415X" advanced manufacturing industry cluster, with an emphasis on supporting high-end equipment industries like new energy vehicles. It allocates 80% of its investments to direct investment projects (including directional funds) and 20% to sub-funds, contributing to the development of a trillion-yuan high-end equipment industry cluster in Ningbo.



Advancing Inclusive Finance

The Company deeply embodies the concept of finance for the people, continuously expanding the depth and breadth of inclusive finance. Based on the honorable mission of supporting high-quality development in Zhejiang and building a demonstration zone for common prosperity, we strive to create significant impacts in "inclusive finance." We are committed to enhancing financial service coverage, accessibility, and satisfaction through financial innovation and service optimization, addressing issues of unequal and insufficient financial service provision. At the same time, we uphold principles of fairness and impartiality, treating all market entities, including small and medium-sized enterprises (SMEs), equally. The timely settlement rate for payments to SMEs reaches 100%. In 2024, the Company issued the "Caitong Securities Co., Ltd. Plan for Promoting High-Quality Development of Inclusive Finance," integrating five major financial tools: investment banking, investment, wealth management, futures, and research. This plan highlights the mission and responsibility of modern financial institutions in optimizing the financing ecology for SMEs and safeguarding the high-quality development of the real economy, while striving to forge a model of inclusive finance practice with regional characteristics.

Key Areas

Our Actions and Achievements

Preserving and Growing Household Wealth

Enriching "Common Prosperity" Product Supply

Actively increase the supply of inclusive products with unique characteristics, carefully create low-threshold financial products, and strive to broaden investment and financial management channels for urban and rural residents, allowing more people to equally enjoy the dividends of financial development. In 2024, cumulative sales of common prosperity products reached CNY 20.313 billion, a year-on-year increase of 16% compared to the previous year.

Optimizing Traditional Charging Models

Implement the reform requirements for public fund fee rates, change the traditional charging model for selling financial products, explore establishing a fee mechanism linked to customer performance, and actively promote common prosperity products that enhance the proportion of excess profits.

Development of Mountainous and Island Counties

Implementing the "3510" One Enterprise & One Policy to Support Common Prosperity Special Action

comprehensively deepen strategic cooperation with Quzhou, Lishui, Zhoushan, and other regions, and fully support poverty alleviation and wealth creation in mountainous and island counties. Throughout the year, we provided bond financing of CNY 15.54 billion to mountainous and island counties, achieving a growth rate of 8.3%.

Full Lifecycle Service for Small and Micro Enterprises

Creating a Full Life Cycle Service Model for Enterprises

Upholding the philosophy of "One handshake, lifelong companionship," a comprehensive integrated manual for the full life cycle of enterprises has been developed. A financial service toolbox integrating investment banking, investment, wealth management, futures, and research has been created, along with a team of collaborative service providers deeply rooted in Zhejiang to support the full life cycle development of enterprises. In 2024, a total of 6 companies were successfully assisted in achieving a valuation increase, amounting to over CNY 4.5 billion.

Deepening the Base for Inclusive Services for Enterprises

Pilot projects have been established in Jinyun, Pingyang, and other areas to create inclusive service bases for enterprises, having built a "one team, one fund, one product, one service system" model for full lifecycle inclusive financial services, providing more enterprises with replicable and referenceable financial service pathways. Throughout the year, we signed comprehensive financial advisory agreements with over 100 clients, and the visitation rate for specialized, sophisticated, distinctive and innovative enterprises in the universal healthcare base exceeded 80%.





Case

### The Kaihua Common Prosperity Fund Managed by Caitong Capital Officially Enters Investment Operation

On August 14, 2024, the Caitong Lianyou Tongfu Equity Investment Partnership (Limited Partnership) managed by Caitong Capital officially entered the investment operation phase. The Kaihua Caitong Lianyou Tongfu Fund has a scale of CNY 200 million, focusing on advanced manufacturing, smart technology, digital economy, and agricultural cultural tourism sectors. It aims to assist Kaihua County in Quzhou, Zhejiang, in establishing a comprehensive “2+x” fund matrix system with multiple layers and diversification, providing precise empowerment for the development of the county’s industrial chain.



## Implementing Pension Finance

Population aging is a prominent issue that Chinese society currently faces and will continue to face for a long time in the future. Pension finance is closely related to people’s well-being. Caitong Securities is committed to addressing the important question of “pension finance” by building a service system that encompasses risk matching, asset allocation, and industrial linkage. We focus on the diversified pension scenarios on the demand side, introducing personal pension financial products and constructing a targeted investment advisory service system to provide diversified, personalized, and customized personal pension allocation services. At the same time, we actively explore public fund investment business for personal pensions, establish and improve the pension financial product system, promote green pension financial products, and create a positive interaction between financial innovation and the enhancement of people’s well-being.

Key Areas	Our Actions and Achievements
Innovation in Pension Financial Products	Continuously enhance the development of pension-focused financial products, target date funds, and exclusive commercial pension insurance, further enriching its pension financial product line to meet the diverse pension needs of different investors.
Optimization of Pension Financial Services	Utilizing financial technology to improve the efficiency and convenience of pension financial services, developing an online pension financial service platform that offers one-stop services for pension wealth planning and product purchasing.
Age-Friendly Service Transformation	Focusing on the information needs of elderly investors, we will optimize the interaction of our official website and APP interface, including features such as content reading, operation prompts, and voice assistance. We will provide relevant applications with a "Care Mode" and "Elder Mode," and launch more products with features such as large fonts, large icons, and high-contrast text, enhancing accessibility and improving the user experience for elderly users.



Case

### Caitong Fund's “Happy Aging” Comprehensive Pension Financial Service Project Selected as an Outstanding Case for Empowering Financial Talent in High-Quality Industrial Development in Zhejiang

Caitong Fund's “Happy Aging” pension-themed project pioneers a new model that integrates “products + investment education + public welfare.” It encompasses the launch of pension target funds, research on the pension industry, community education on pension knowledge, and the “Rainbow Accompanying” public welfare activities for the elderly. The goal is to provide pension solutions while further enhancing investors’ rational understanding of pension investments. Notably, special activities emphasize the inclusion of “anti-anxiety in pension” content, introducing experiences related to the economic development of the elderly care industry, pension investment strategies, and interactive engagements. These concepts are presented through creative videos and offline activities, subtly spreading the idea of pension investment.





## Enhancing Service Quality

The Company firmly implements the new development philosophy of “innovation, coordination, green, openness, and sharing,” aiming to create a “reliable, secure, and considerate” service experience, thereby improving service quality and establishing a good service reputation.

### Optimizing Customer Service

The Company has formulated a series of system documents, including the *Customer First Inquiry Responsibility Management Measures of Caitong Securities Co., Ltd.* and the Investor Complaint Handling System of Caitong Securities Co., Ltd. From the initial response to customer inquiries to the overall follow-up of complaint handling, strict regulations and optimizations have been put in place to provide customers with high-standard, efficient, and high-quality services.

#### Responsible Marketing

The Company always views the authenticity of product marketing information as its lifeline and actively fulfills its social responsibilities by rigorously overseeing marketing methods. In business operations, the Company strictly adheres to the self-discipline norms set by industry associations, fully regulating promotional activities. It prohibits any actions such as exaggerating product returns, fabricating service content, engaging in unfair price competition, or disparaging competitors. The marketing team is subject to comprehensive management, and a full-process professional standard has been established. Marketing personnel are required to understand product characteristics accurately before conducting promotional activities. Additionally, a closed-loop supervision mechanism is in place to ensure that the service process is traceable and quality is assessable, thereby effectively safeguarding market order and protecting customer rights and interests.

#### Customer Satisfaction

The Company adheres to the core philosophy of “customer-centricity” and deepens its work on investor protection. As per the *Investor Complaint Handling System of Caitong Securities Co., Ltd.*, the responsibilities of various departments and branches in complaint handling are clearly defined. The principles and processes for handling complaints are comprehensively standardized and regulated to ensure that complaints are dealt with legally, compliantly, and efficiently, aiming to enhance investor satisfaction and effectively protect investors’ legal rights and interests. During the reporting period, the Company conducted customer satisfaction surveys through consultation and acceptance methods, achieving an overall customer satisfaction rate of 91.06%.

### Developing Digital Finance

The Company actively embraces digital transformation and the wave of AI, using digital reform as a strong engine to comprehensively empower accelerated development across various fields. From promoting the implementation of the “1+6+N” Smart Finance Planning and the “1+3+N” Financial Technology Reform and Innovation Implementation Plan to iteratively upgrading the “1231” digital reform objectives and focusing on building the “1314N” digital toolbox, the Company continuously plays an important supporting role in business transformation, upgrading, and enhancing customer experience. Since 2021, a total of 28 landmark digital applications have been released, effectively achieving the goals of enhancing performance efficiency, increasing management efficiency, and improving service effectiveness through digital reform.



#### “1+6+N” “Digital and Intelligent Caitong” “Finance Planning

- 1 main “Digital and Intelligent Caitong” platform
- 6 specialized platforms (Digital and Intelligent Wealth, Digital and Intelligent Management, Digital and Intelligent Operations, Digital and Intelligent Supervision, Digital and Intelligent Research, Digital and Intelligent Investment Banking)
- N projects for implementation and external platform connections



#### “1+3+N” Financial Technology Reform and Innovation Implementation Plan

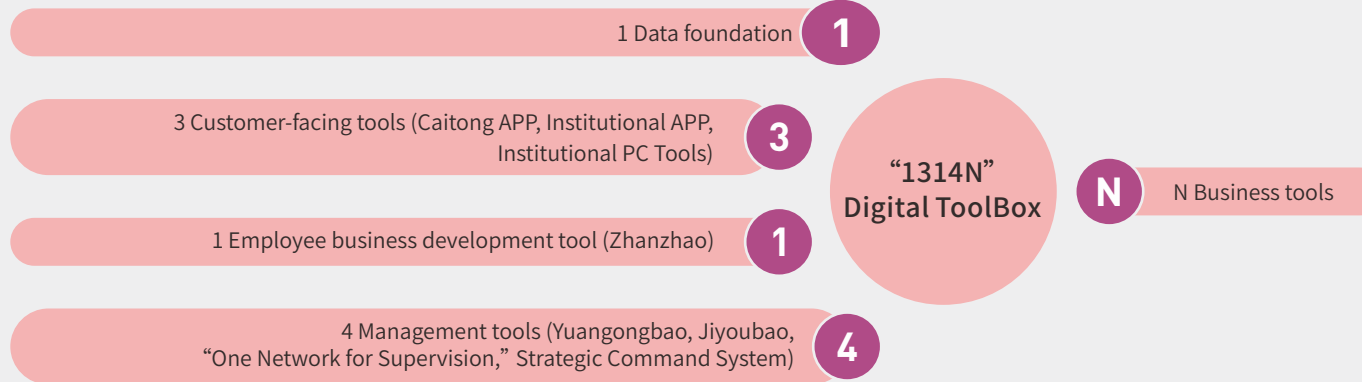
- 1 data foundation
- 3 digital platforms (Enterprise Full Lifecycle Service Platform, Collaborative Efficiency Platform, and Risk Control and Compliance Supervision Integration Platform)
- N scenarios



#### Digital Reform Goals



#### “1314N” Digital ToolBox





Governance Structure

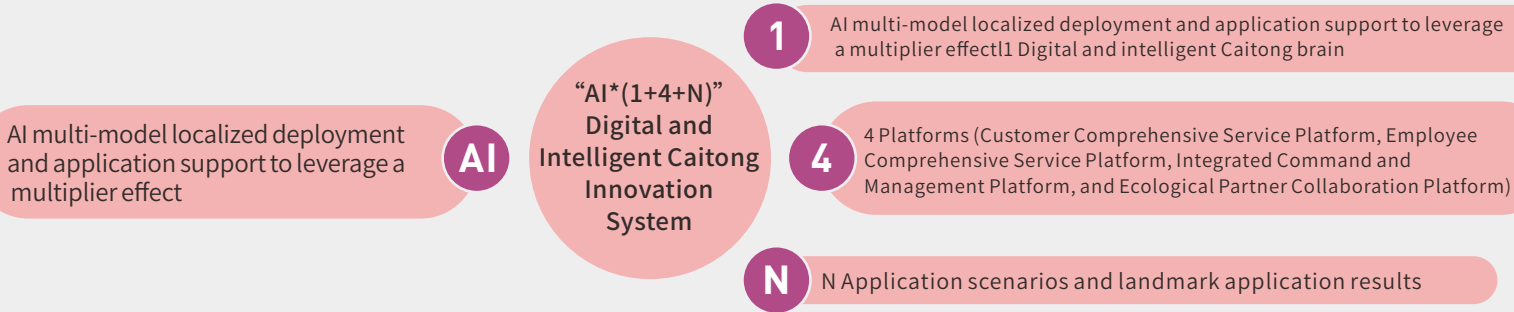
The Company is committed to deepening the implementation of the digital reform advancement committee's operational mechanism. This committee serves as the leading body for digital work, with the Company's Party Secretary and Chairman serving as the Chairperson and General Manager and the leader in charge of financial technology serving as Vice Chairpersons, responsible for coordinating and promoting the Company's digital construction efforts. In 2024, the Company will further optimize IT governance, data governance, and other operational mechanisms, and revise and improve multiple digital-related management systems, including the *IT Governance Measures and the Data Governance Measures*.

Digital Financial Strategy

The Company continues to advance the construction planning of "Digital and Intelligent Caitong," promoting the development directions of "Solid Foundation," "Breakthrough," and "Super Integration" to drive the deep integration of technology and business, thereby comprehensively empowering the Company's high-quality development. To further promote the establishment of a first-class digitally-driven brokerage, by the end of 2024, the Company will initiate plans to build an "AI\*(1+4+N)" Digital and Intelligent Caitong innovation system, with a clear goal of leveraging AI to propel significant reforms in reshaping the customer operation system with a "customer-centric" focus, ensuring effective implementation and results.



"AI\*(1+4+N)" Digital and Intelligent Caitong Innovation System



Digital Financial Achievements

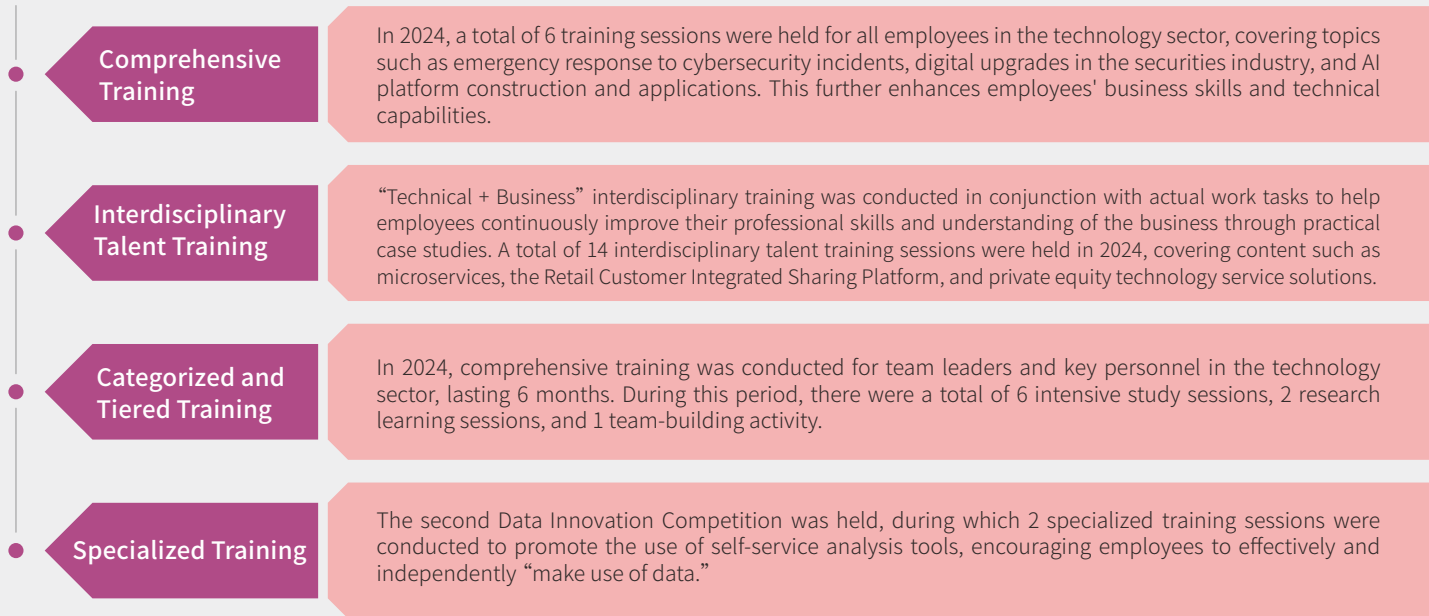
The Company continues to strengthen its leadership in financial technology innovation, deepening the innovative financial service models and products. In 2024, under the theme of "Digital and Intelligent Caitong: Transformation towards Renewal," the Company will release the fourth batch of 6 iconic application results, which include the Retail Customer Integrated Sharing Platform "Customer Network," the Unified Management Platform for Digital Investment Banking "Investment Bank+," the Digital Operation System "Wukong," "Digital Finance," the Fixed Income + Strategy Supermarket "Smart+," and "Yongyiqi." At the same time, we are actively laying out applications for large AI models. The self-developed "Cai Xiaozhi" has achieved multiple application scenarios, including intelligent knowledge retrieval and intelligent office functionalities. The financial industry standard drafted by the Company, Data Element Standards for Securities and Futures Business Domains – Part 1: Securities Companies, was officially established by the Securities Standardization Committee in April 2024, marking the first industry output of the digital reform "Caitong Standard."

Digital Capability Building

The Company places a high emphasis on the construction of digital capabilities. Through comprehensive employee training, interdisciplinary talent training, categorized and tiered training, and specialized training, the Company aims to enhance employees' digital skills and collectively promote the comprehensive implementation of digital transformation.



Caitong Securities Digital Capability Building Initiatives





## Investor Education

The Company actively engages in investor education, leading with the comprehensive investor education brand activity “Caitong Path to Financial Management” and focusing on the core theme of “Entering 100 Schools, Connecting with 1,000 Enterprises, and Reaching 10,000 Homes.” Through a dual interaction model of “inviting in” and “going out,” we continuously deepen and expand the connotations and extensions of investor education, effectively enhancing its important role in promoting common prosperity and protecting investors' legitimate rights and interests.

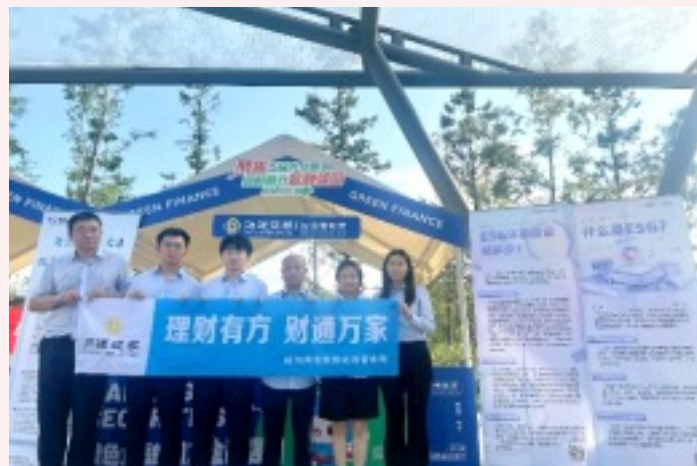
### In 2024

We held a total of **2,232** various investor education activities and created **3,188** original investor education products. Over **2,000** news reports were published across various media platforms, benefiting more than **60** million investors.



### Caitong Securities Investor Education Base Hosts “Focusing on ‘Five Key Areas’ of finance’, Investor Education Aids in Building a Financial Power” Specialty Investor Education Market Activity in Zhejiang

On August 22, 2024, the Caitong Securities Investor Education Base, in collaboration with institutions such as Cailian Press, organized a specialty investor education market activity at Xiaohu Park, themed “Focusing on ‘Five Key Areas’ of finance’, Investor Education Aids in Building a Financial Power.” The event aimed to promote knowledge of green finance, establish concepts of sustainable development, support the nation’s low-carbon transition, and contribute to the construction of a beautiful China.



### Case

### “Serving Investors, Sharing High Quality” Investor Service Week Activity

On the afternoon of June 19, 2024, a themed lecture titled “Serving Investors, Sharing High Quality” was held at the Caitong Securities Xinchang Jiangbin West Road Branch. Professional lecturers from the Shanghai Stock Exchange and Caitong Securities engaged in face-to-face discussions with over thirty investors to disseminate financial knowledge and listen to investors’ voices. Through interpretations of China's “New Nine Guidelines” and introductions to investor rights protection systems, the event aimed to establish the concept of value investing for investors and encourage them to protect their investment rights through legal means.



## Empowering Employee Growth

The Company consistently views employees as its most valuable asset. By fully safeguarding employee rights and providing diverse pathways for development, we create a positive, vibrant, and inclusive work environment. This supports employees in realizing their personal value and injects strong impetus into the Company’s continuous innovation and steady development.



## Protecting Employee Rights

The Company adheres to fundamental laws and regulations such as the “*Labor Law of the People's Republic of China*,” the “*Labor Contract Law of the People's Republic of China*,” the “*Law of the People's Republic of China on the Protection of Women's Rights and Interests*,” and the “*Regulations on the Prohibition of Child Labor*.” We are committed to creating an equitable and high-quality work environment for employees, ensuring that every employee has fair career opportunities. We have established a rigorous and comprehensive employment system and an equal employment protection framework, achieving a 100% signing rate for labor contracts and a 100% coverage rate for social insurance.



Key Areas	Our Principles
Employee Rights	<ul style="list-style-type: none"><li>Regularly monitor labor intensity and prohibit forced labor.</li><li>Strictly verify employee identities to eliminate the recruitment of child labor.</li><li>Comply with laws, regulations, and relevant company policies, standardizing employee hiring and resignation processes. Engage in equal negotiations with all employees and sign labor contracts in accordance with the law.</li><li>Firmly oppose employment discrimination, ensuring that employee recruitment and career development are not affected by race, belief, gender, religion, nationality, ethnicity, age, marital status, health condition, social status, or any other factors.</li></ul>
Compensation and Insurance	<ul style="list-style-type: none"><li>Set compensation based on market levels, with performance evaluations and value contributions as a total guiding distribution.</li><li>Timely and fully pay the five social insurances and one housing fund.</li></ul>
Benefits	<ul style="list-style-type: none"><li>Employees enjoy various types of leave benefits as mandated by the state, including statutory holidays, annual leave, family visit leave, sick leave, marriage leave, maternity and paternal leave, bereavement leave, and personal leave.</li><li>Provide supplemental medical insurance, corporate annuity plans, and other additional benefits.</li><li>Enhance employee health check standards and optimize the usage period for annual leave.</li><li>Organize various cultural and sports activities to enrich employees' daily work and life.</li></ul>
Democratic Management	<ul style="list-style-type: none"><li>Promote democratic management through the employee representatives' assembly system.</li><li>Establish labor union organizations to protect employee rights.</li></ul>

Diverse Employment
<p>The Company has established the <i>Employee Recruitment and Employment Management Measures of Caitong Securities Co., Ltd.</i>, adhering to the principles of equality, openness, inclusivity, and diversity in recruitment. We respect the basic human rights of employees and the values, personalities, and privacy of employees from different cultural backgrounds. We strictly prohibit any form of discrimination based on gender, race, ethnicity, and other factors, and resolutely eliminate the employment of child labor and any form of forced labor. We rigorously verify employee identities and regularly monitor and assess labor intensity and human rights systems. During the reporting period, the Company did not encounter any lawsuits related to employment and did not experience any incidents of forced labor or the use of child labor.</p>
<p><b>In 2024</b></p> <p>The total number of employees in the Company was <b>4,798</b>, with <b>504</b> new employees. Number of Ethnic Minority Employees: <b>85</b> Veterans: <b>31</b> Overseas Employees (including Hong Kong, Macau, and Taiwan): <b>59</b> Female Managers: <b>53</b> Labor Contract Signing Rate: <b>100%</b></p>


Case	Caitong Asset Management Awarded "2024 NFuture Most Preferred Employer by College Students"
<p>Caitong Asset Management has consistently focused on empowering higher education talent development, broadening students' understanding and perspective in finance, and promoting student employment. The Company actively contributes to the cultivation of financial talent with both theoretical and practical skills in universities, embodying its social responsibility as a financial institution to achieve the goal of building a strong financial nation. Looking back, Caitong Asset Management has also been awarded the "Campus Recruitment Rising Star Award" by the Antai College of Economics and Management at Shanghai Jiao Tong University, the "Potential Employer Award" by the HSBC Business School of Peking University, and the "New Recruitment Collaboration Award" by the School of Management at Fudan University. Additionally, the Company has signed internship and practical training agreements with universities such as the School of Finance at Shanghai University of Finance and Economics, demonstrating the ongoing recognition and encouragement from society, universities, and students towards Caitong Asset Management.</p>	



Compensation and Incentive Mechanism

The Company has established a comprehensive employee compensation management system, creating a standardized and effective incentive mechanism. It not only strictly implements full coverage of the five social insurances and one housing fund for all employees in accordance with the law but also has established a supplementary benefits system that includes enterprise annuities and supplemental medical insurance. The Company conducts compensation distribution based on performance evaluation results, providing employees with market-competitive compensation packages to ensure fairness and incentivization within the compensation system.

Key Areas

Our Actions and Achievements

Employee Compensation Management System

- Established a comprehensive employee compensation management system, creating standardized and effective incentive mechanisms: revised and implemented the employee level and compensation management measures for standardized management of employee compensation.
- Established a dynamic adjustment mechanism for compensation levels, which adjusts salaries based on changes in employee level, performance evaluation results, and job value contributions, effectively incentivizing high-performing employees.

MD Level Management System

- Built a capability-centered MD level management system to expand employees' career development paths: aligned with talent development strategies, referenced advanced practices in the industry, and formed an MD level system that comprehensively covers various lines based on capability and performance.

Employee Performance Evaluation System

- Gradually established a scientifically effective employee performance evaluation system oriented towards high performance: developed detailed implementation rules for employee performance evaluations, continuously strengthening the management of the performance evaluation process and application of results.

Employee Communication

The Company has established a regular mechanism for collecting, reviewing, processing, and implementing proposals from the employee representative congress, creating a smooth communication channel for employees. It has set up a dual-channel feedback system consisting of an "offline petition office + online suggestion box" to facilitate two-way communication.

In 2024

A total of **3** employee representative meetings were held, reviewing **5** policies, and the employee satisfaction rate reached **96.8%**.

Occupational Health and Safety

The Company has always placed great importance on employee occupational health and safety and the prevention of occupational diseases, continually enhancing the employee health protection system. In recent years, the Company has continuously conducted project safety production kickoff ceremonies and training, organized fire safety drills, summer typhoon and flooding drills, and performed self-inspection and identification of safety hazards in projects. The Company ensures medical emergency plans for the building by purchasing AEDs, medical stretchers, and other medical support facilities and equipment, creating a caring and secure working environment.



Fire Drill Implementation



In 2024, the Company continued to optimize employee healthcare initiatives, enriching the cafeteria menu and meticulously creating a gym, employee lounge, and nursing room, as well as collaborating with a “AAA” hospital to establish a company clinic. The “1+X” physical examination model was established to meet the diverse needs of employees regarding health check-up items. For employees aged 45 and above, an option for “painless gastrointestinal endoscopy” was added to the examination choices, continuously enhancing employee satisfaction.



Employee Health Check-up Coverage Rate: 100%  
Number of Work-Related Injury Incidents: 0

Employee Occupational Health Record Coverage Rate: 100%  
Number of Employees Who Died Due to Work-Related Injuries: 0

Supporting Employee Development

The Company places a high value on talent and conducts multi-tier training tailored to different employees, continuously improving the training system and innovating methods to provide diverse growth pathways, thereby supporting the Company's sustainable high-quality development.

Career Advancement

Guided by the strategy of strengthening the Company through talent, the Company is committed to advancing talent inventory efforts and reinforcing talent reserves. The “Gather Talent 8090” plan is continuously promoted, and in-depth capability and quality surveys are conducted. Through a rigorous evaluation process, personalized profiles are dynamically established for each employee, enabling precise “portraits” and distinctive “labels” to be created for each individual, with detailed information recorded in a personal database. Utilizing digital tools, the Company accurately tracks talent analytics, effectively revitalizes existing talent resources, further optimizes the human resource allocation structure, and ensures the right person is in the right position to maximize their potential, thereby laying a solid talent foundation for the Company’s long-term development.

Talent Development

The Company continuously develops a comprehensive talent cultivation system that includes Party and government education, talent tiers, and business empowerment, in accordance with strategic and business development needs. The Company encourages employees to participate in industry certification exams, professional training courses, and degree advancement, providing reimbursement for exam fees and support for study time. The Company emphasizes the enhancement of the quality and scale of specialized talent and vigorously promotes the values of respecting, uniting, and serving talent. A “1+N” training management model has been established, supported by a training system, a teaching team, a training base, a digital platform, a set of training courses, and multiple training implementation entities, achieving a dual-driven approach for talent tiers and business development.

In response to the different levels, development goals, and stage-specific capability requirements of employees, the Company conducts employee training and development through various means, including thematic training, job rotation, and mutual assignment. In 2024, the Company's innovative initiative for cadre development, titled “Boundless Positions, Talent Across All Directions — The Cadre Learning Project with Mutual Assignments between Caitong Securities and Taizhou City,” was recognized as the best innovative case in talent work in Zhejiang Province, creating a government-enterprise talent exchange model with unique “Caitong characteristics.”

Dual-Driven Approach of Tiers vs. Business:  
Creating the "Gather Talent" Series

	Talent Gathering in Investment Banking	Talent Gathering in Investment Research	Talent Gathering in Wealth Management	Talent Gathering in Services
Talent Gathering Navigation	Leading Class	Helmsman	Training of Responsible Personnel	Conducting strategic learning and supporting sub-series training focused on business priorities to foster the development of the three pillars.
Talent Gathering Leap	Steady Run Class	Sea Eagle	Training of Management Talent Tiers	
Talent Gathering Growth	Fast Track Class, Start Class	Breaking Waves, Setting Sail	Training of Senior Wealth Advisors, Training of Mid-Level and Junior Wealth Advisors.	
Employee Training Studio				
Course Support   Teaching Support   System Support   Platform Support				

In 2024, as one of the Company's annual “Three Practical Things,” the employee training workshop was completed. The training room features eight major functions, including cultural display, demonstration training, simulation (practical) exercises, and training experience exchange. It is set to become a platform for building a learning organization within the Company, a base for employee demonstration training projects, and a foundation for developing a professional teaching team.



“Talent Gathering Navigation” Training Class



Employee Training Workshop Officially Inaugurated



Key Areas	Our Actions and Achievements
Cultivation of Young Talents	Young core employees are selected through voluntary registration, departmental selection, assessments, and interviews. They develop nine key competencies through concentrated training, mentor guidance, and on-the-job practice. A fair and impartial assessment mechanism is established to allow outstanding talent to stand out.
“Talent Gathering” Series Training	A comprehensive institutional foundation is established, including a training organizational system, training content system, training assignment standards, and training execution norms, to deepen the overall management mechanism for talent cultivation. The Company continuously updates and optimizes training courses based on business development needs, covering various aspects such as professional knowledge, management abilities, and overall quality to meet the growth needs of employees at different stages.
Digital Training Platform Development	Leveraging digital advantages, we promote the development of specialized courses and the deployment of teaching resources, completing an online course system to provide employees with convenient and efficient learning chann

2024 Employee Training Overview

4,212

Total number of employees trained

100 %

Employee training coverage rate

537,656 hours

Total training hours

127.65 hours

Average training hours per employee

Employee Training Overview	Number	Employee Training Overview	hours
Number of grassroots employees trained	4,027	Total training hours for grassroots employees	499,197
Number of middle management employees trained	168	Total training hours for middle management employees	37,219
Number of senior management employees trained	17	Total training hours for senior management	1,240

Case

Caitong Securities Wins Training Industry Awards

In 2024, Caitong Securities was awarded the “CSTD National Finals Lighthouse Award for Corporate Learning Design Competition” and the “Talent-Driven Enterprise Engineering Brand Learning Project Award,” two prestigious accolades in the training industry. The Lighthouse Enterprise Award for Talent Development is organized by CSTD, a leading talent development service platform in China. This initiative targets outstanding companies in the field of talent development and establishes benchmarks and examples in areas such as concept and method innovation, model innovation, and organizational capability by evaluating the value of talent development outcomes, thus illuminating the path for talent development.

Industry-Academia Collaboration

The Company continually deepens its strategic partnerships with well-known universities both within and outside the province, strengthens collaboration to create internship bases, and explores new models for talent cultivation that combine industry and education, co-build between universities and enterprises, and promote coordinated development.

Case

Caitong Securities Holds "Talent Gathering at Caitong" University Open Day Event

On December 18th, Caitong Securities partnered with the School of Economics at Zhejiang University to hold the "Talent Gathering at Caitong" Open Day and Party Building Activity. A delegation of 23 faculty and students from the Graduate Party Branch of the Department of Finance and the undergraduate Party Branch of the Finance (Experimental Class) visited the Company, engaging in discussions and exchanges on topics such as capital market summaries and outlooks, as well as career development. This event not only provided a platform for faculty and students to gain an in-depth understanding of the Company's work environment and culture but also effectively promoted interaction and communication between the university and the enterprise, positively contributing to the deepening of school-enterprise cooperation.



Enhancing Employee Belonging

The Company places great importance on enhancing employees' sense of belonging. It legally establishes a set of benefits system that includes five social insurances and one housing fund, as well as paid leave. The Company actively organizes various cultural activities, assistance for those in difficulty, and mental health care programs to strengthen cohesion and teamwork among employees, continually improving their sense of gain, happiness, and belonging.

Employee Care and Support

The Company continuously promotes the construction of the “Three Practical Things” cultural brand, carefully soliciting and effectively implementing these “Three Practical Things” each year. Starting from the actual needs of employees, the Company addresses the most pressing and challenging issues that employees voice the loudest, covering multiple dimensions such as optimizing the work environment, enhancing the quality of life, and supporting career development. This allows employees to genuinely feel the warmth and importance the Company places on them, nurturing the concept of “home” within the Company.

During the reporting period

The Company assisted nearly 40 individuals in need, with a total relief amount of CNY 90,000; throughout the year, it offered condolences to members facing marriage, childbirth, illness, bereavement, and retirement, with over 500 visits and a total condolence amount of CNY 300,000.

Enriching Employees’ Spiritual Life

With the corporate spirit of “Upholding integrity and harmony in pursuit of dreams” at its core, the Company continues to carry out diverse employee activities, forming more than ten union activity groups. It actively organizes collective activities such as fun sports events, outdoor team-building, cultural lectures, and art exhibitions, effectively promoting teamwork and the physical and mental well-being of employees. Additionally, we continue to create our own festival, “Caitong Day,” establishing interdepartmental communication links through a series of quality cultural activities, enhancing employees’ sense of belonging and team cohesion, and cultivating a positive and aspirational corporate culture.





## Case

## The Fourth “Caitong Day” Event at Caitong Securities Begins Beautifully, Bringing Together All Caitong Staff with Family and Friends

On October 24, the fourth “Caitong Day” themed event officially launched, focusing on building a “Four-Dimensional Caitong” and striving to create a first-class modern investment bank. During the main forum, Caitong Securities Chairman Zhang Qicheng delivered a keynote speech titled “New Opportunities, New Positioning, New Brand.” The Cultural Carnival innovatively introduced the Caitong Cultural Market, showcasing products from the unique coastal and mountainous regions, DIY corporate culture painted fans, and stunning cultural and creative products from the five major business headquarters. All Caitong staff, along with their family and friends, engaged in this event, experiencing the charm of Chinese financial culture, industry culture, and Caitong culture.



Thematic Activities of the Fourth “Caitong Day” Officially Launch



“Caitong Day” Cultural Carnival



Theme Food Event: “Harmonious Caitong, Ensuring Good Fortune”



Dragon Chanting and Blessing: Caitong Calligraphy Activity



A Double Ninth Festival fellowship event for Senior Employees and Retired Veterans



## Enthusiasm for Social Welfare

The Company has always upheld its original intention for public welfare, fully leveraging its professional advantages to actively respond to national strategic calls. It continuously promotes rural revitalization and charitable actions, relying on the “Keeping Goodness in Heart” public welfare brand for systematic and standardized operations. The Company gathers public welfare efforts from all sectors of society, turning small acts of kindness into great love that benefits society, thereby embodying the mission of state-owned enterprises through concrete actions. In 2024, the Company implemented financial poverty alleviation, industrial poverty alleviation, educational poverty alleviation, and public welfare poverty alleviation initiatives, as well as conducted “Party Building + Finance” empowerment training sessions, benefiting rural officials, leaders in rural revitalization, rural children, and vulnerable groups such as the elderly and disabled, with a total of over 20,000 beneficiaries.

## In 2024

Total public welfare assistance funding for the year amounted to CNY **19.1528** million, including CNY **5.623** million for rural revitalization and CNY **13.5298** million for social welfare, representing a year-on-year increase of **17** %.



## Contributing to Rural Revitalization

The Company actively practices the national strategy of serving the country through finance and supporting rural revitalization, upholding the sense of social responsibility to alleviate national concerns and promote public welfare. It aims to consolidate poverty alleviation results and expand service areas. In 2024, a total of CNY 5.623 million was invested in rural revitalization assistance.



## Case

## Caitong Securities Launches Financial Empowerment Training Program

In 2024, the Company partnered with Zhejiang University to conduct the eighth session of the “Party Building + Finance” empowerment training program. This initiative aims to enhance the financial knowledge of the leadership in supporting regions, improve their financial capabilities and literacy, and cultivate “financial experts” for rural revitalization, thereby further enhancing the quality and effectiveness of financial services in rural revitalization efforts.





## Social Welfare

The Company is actively engaged in charitable endeavors, continuously directing charitable funds to critical areas such as medical treatment for patients, the construction of educational infrastructure, the dissemination of financial knowledge, and upgrades to facilities in children's welfare institutions. In 2024, the total charitable funding amounted to CNY 13.5298 million.

### ★ Case Caitong Securities Conducts Charitable Donation Activity in the Aksu Region of Xinjiang

In September 2024, Zhang Qicheng, the Chairman of Caitong Securities, led a team to Yongawat Village in Wushi County to conduct a project donation. The funds will be used for grassroots organizational development, aiming to create a richer and more colorful growth environment for the children in the welfare institution.



## Promoting Community Volunteering

The Company strongly advocates active participation in social welfare initiatives, encouraging employees to become a core force within local volunteer teams. Through practical actions, we embody a sense of responsibility and commitment, continuously spreading positive energy in society. In our environmental efforts, we actively engage in tasks such as tree planting and cleaning rivers, striving to protect our green mountains and clear waters. During large-scale events and activities, we actively conduct volunteer presentations, showcasing the positive energy of finance. During the reporting period, the Company had a total of 1,660 participants in public service activities.

### ★ Case "Together Learning Ideologies, Youth Volunteers Leading the Way" Lei Feng Volunteering Activity

On March 1, 2024, the Company organized speakers to present directly to travelers and youth group members in the terminal. This initiative aimed to consolidate and expand the educational achievements of group members and young people, further enhancing the essence of "Zhejiang Enterprises Youth: Love for Learning" and "Youth Volunteer Red."



## Financial Literacy Education

In response to the strategy of strengthening the financial sector and fulfilling the social mission of financial institutions, Caitong Securities is bringing financial literacy education into schools and actively promoting the integration of financial education into the national basic education system. Currently, we have successfully held a series of diverse activities, such as professional lectures, student forums, and exchange visits at key national universities, including Tsinghua University, Peking University, Fudan University, Shanghai Jiao Tong University, and Zhejiang University, helping students enhance their financial literacy and understand industry practices.

### ★ Case "Career Path" Practical Financial Class Enters Universities

Starting in 2023, Caitong Asset Management, in collaboration with Caitong Securities Research Institute, launched the "Career Path" series of financial practice courses, beginning with Zhejiang University. As of the end of 2024, 14 classes have been completed. The "Career Path" class invites senior personnel from various business lines to share insights on industry trends, established research frameworks, and practical business cases. This integrates investment education knowledge with job-seeking practices, creating an immersive, interactive classroom environment that combines theory with practice. The goal is to develop an educational model that deeply integrates these aspects and to empower university students, nurturing outstanding financial talent as a long-term commitment.





# E

## Environmental

### Harmonious Coexistence, Building Dreams Together, Revitalizing Life



As a state-owned listed financial institution, Caitong Securities is committed to implementing the new development concept and diligently working on green finance initiatives. We guide the transition of industrial and energy structures towards green and low-carbon practices through capital allocation, actively exploring new pathways to achieve the national “Dual Carbon” goals. We have innovated green financial tools to accurately meet the financing needs of green industries, with cumulative support for green projects exceeding CNY 6.2 billion, effectively promoting the coordinated development of energy structure optimization and ecological protection. At the same time, we emphasize water as our lifeblood and green as our foundation. Through green initiatives, we actively support projects related to water resource protection and climate action, ensuring that ecological benefits enhance people's livelihoods. We are dedicated to protecting clear waters and blue skies, continually contributing to the strategic goals of “carbon peak and carbon neutrality.”

This chapter strictly follows the requirements of *Shanghai Stock Exchange Listed Company Self-Regulatory Guidelines No. 14 – Sustainability Report (Trial)*, and specifically corresponds to Chapter 3 of the guideline document, titled “Disclosure of Environmental Information.” The content of this chapter will comprehensively cover all subsections under this chapter, namely Section 1 “Addressing Climate Change,” Section 2 “Pollution Prevention and Ecosystem Protection,” and Section 3 “Resource Utilization and Circular Economy,” providing detailed discussion and analysis for each subsection.

#### SUSTAINABLE DEVELOPMENT GOALS

This chapter contributes to the United Nations Sustainable Development Goals (SDGs)





# Addressing Climate Change

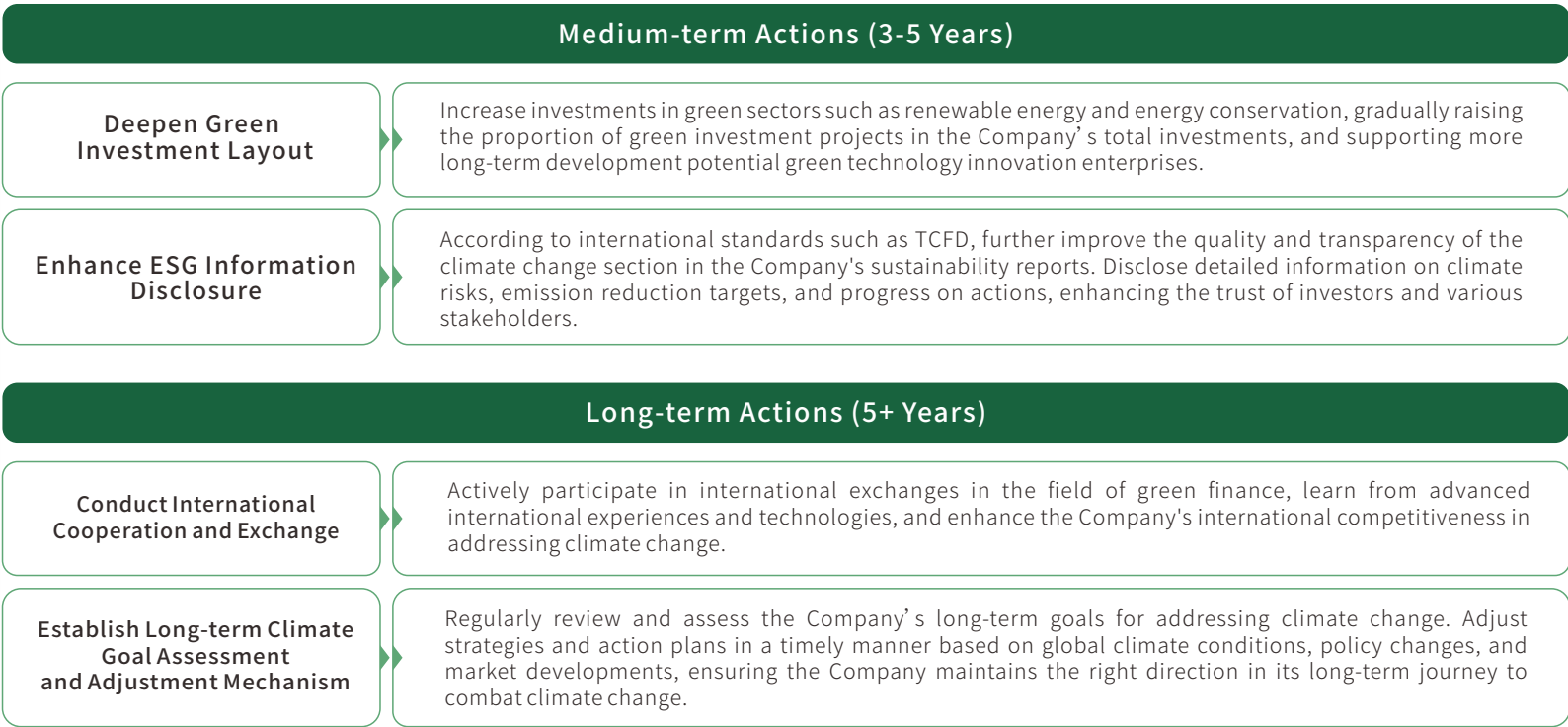
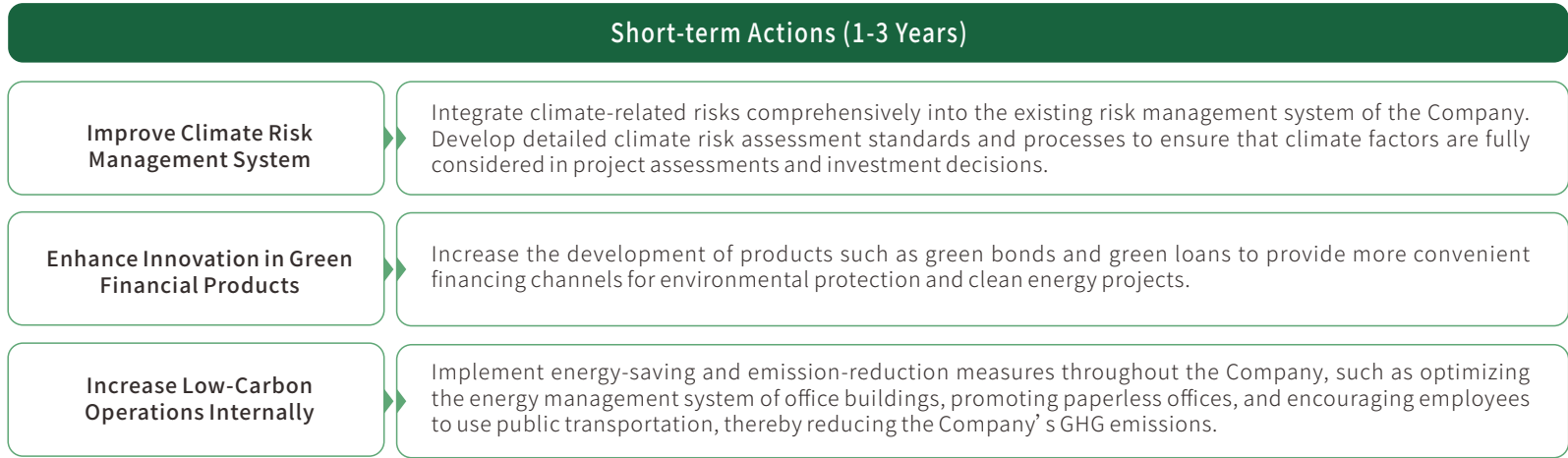
The Company strictly adheres to the International Sustainability Standards Board (ISSB) IFRS S2 framework, comprehensively constructing a climate risk management system that encompasses governance, strategy, risk management, and metrics and targets. It accurately identifies and addresses climate risks in its operations while seizing opportunities related to environmental risks.

## Climate Change Governance

The Company has established a relatively comprehensive governance structure to address climate change. The board of directors is fully responsible for overseeing climate risks and strengthening the regulatory supervision of climate risk management. The board's strategy and ESG committee bears overall responsibility for the Company's climate risk management, reviewing and approving the climate risk management strategy, objectives, risks and opportunities, action plans, and other significant decisions annually, with a particular focus on proposals related to climate change. The ESG working group consists of members from various internal departments and subsidiaries, responsible for implementing effective measures to mitigate climate risks faced by the Company, seizing green development opportunities, actively communicating with stakeholders, and coordinating efforts to promote the implementation of climate action.

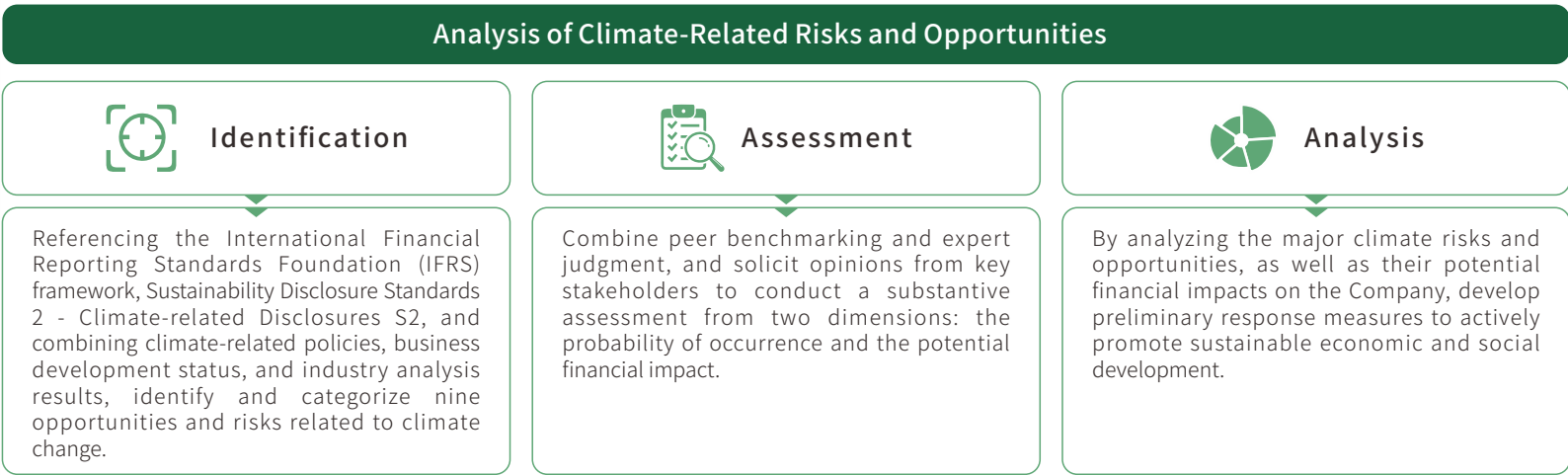
## Climate Change Strategy

The Company integrates climate change-related risks and opportunities into its overall development strategy, developing and executing short-term, medium-term, and long-term plans. It actively works to reduce GHG emissions in its operations and gradually promotes the low-carbon transition of investment and financing entities in financial activities, contributing positively to the national "Dual Carbon" goals and global climate governance.



## Impact, Risk, and Opportunity Management

The Company identifies climate change-related risks and opportunities based on its business development and strategic plans, incorporating expert opinions, and constructs a scientific matrix for risks and opportunities.





Climate-Related Risks & Opportunities: Impacts and Measures

Risk/Opportunity Type	Risk Description	Impact Duration	Potential Financial Impact	Strategy
Policy and Legal Risk	Continuous updates to climate-related policies may subject clients to penalties for failing to meet environmental requirements, leading to default risks.	Short, Medium, Long-term	↓Decrease in operating revenue ↓Decline in portfolio value	Incorporate ESG factors into due diligence
Market Risk	Environmental protection and low-carbon development policies may lead to structural macroeconomic transitions, affecting the market supply-demand structure, which could have direct or indirect financial impacts on the Company or increase credit risk due to potential declines in clients' repayment abilities.	Short, Medium, Long-term	↓Decline in portfolio value	Educate businesses on the importance of sustainable development through practical case studies and assist in enhancing the ESG framework construction.
Acute Physical Risk	Extreme weather events, such as typhoons, floods, and droughts, may affect the operational activities of the Company, clients, and investment targets, leading to property losses.	Short-term	↓Decrease in operating revenue ↓Decline in portfolio value ↑Increased credit risk	Prepare relevant emergency response plans to effectively reduce the impact of extreme weather on company operations.
Chronic Physical Risk	Long-term climate changes, such as sustained high temperatures and rising sea levels, may lead to increased operating costs and disruptions to normal operations or property losses for the Company, clients, and investment targets.	Medium, Long-term	↑Increased operating costs ↓Decline in portfolio value	Continuously track and evaluate the impact of climate change on the market.
Technological Risk	The market's transition to low-carbon solutions and the gradual phasing out of traditional high-energy-consuming technologies may affect the market valuation of certain investment targets that cannot update their technologies in time.	Short, Medium-term	↓Decrease in operating revenue ↓Decline in portfolio value	Continuously strengthen management of climate change, environmental, and social risks, and identify ESG dimensions.
Market Opportunities	Major decisions to implement the national "dual carbon" strategy have led to the gradual introduction of related policies on carbon neutrality and climate finance investment, guiding green finance businesses and the market. Investors are increasingly prioritizing sustainability in the financial sector, making green financial products more appealing.	Short, Medium, Long-term	↑Increase in operating revenue ↑Rise in portfolio value	Develop green finance businesses to provide financial services for energy conservation, environmental protection, and new energy industries. Additionally, create funds focused on energy conservation, environmental protection, and carbon neutrality themes.
Products and Services	By providing investment and financing financial services for green industries, increasing green investment efforts, continuously expanding the supply of ESG and carbon neutrality-themed financial products, and establishing a sound financial product creation, introduction, and sales system oriented toward "carbon peak and carbon neutrality," the Company aims to create opportunities for revenue growth.	Medium, Long-term	↑Increase in operating revenue ↑Rise in portfolio value	Develop green financial services to support energy conservation, environmental protection, and renewable energy industries.
Resource Efficiency	Promote energy conservation and emission reduction by implementing paperless office practices and improving the efficiency of resource usage (such as energy, water, and materials) during operations to reduce operating costs, which is conducive to enhancing sustainable development capabilities.	Medium, Long-term	Reduction in operating costs	Continuously raise employees' awareness of energy conservation and environmental protection, and carry out green operation initiatives in the workplace.

Indicators and Goals

The Company's GHG emissions primarily result from energy consumption related to equipment, lighting, and the combustion of gasoline in company vehicles and employees' personal vehicles. We focus on areas such as green finance, energy use, and carbon emissions, setting relevant indicators and goals. By regularly collecting and analyzing indicator data, we monitor our progress and formulate targeted improvement strategies to effectively enhance our climate change management efforts.

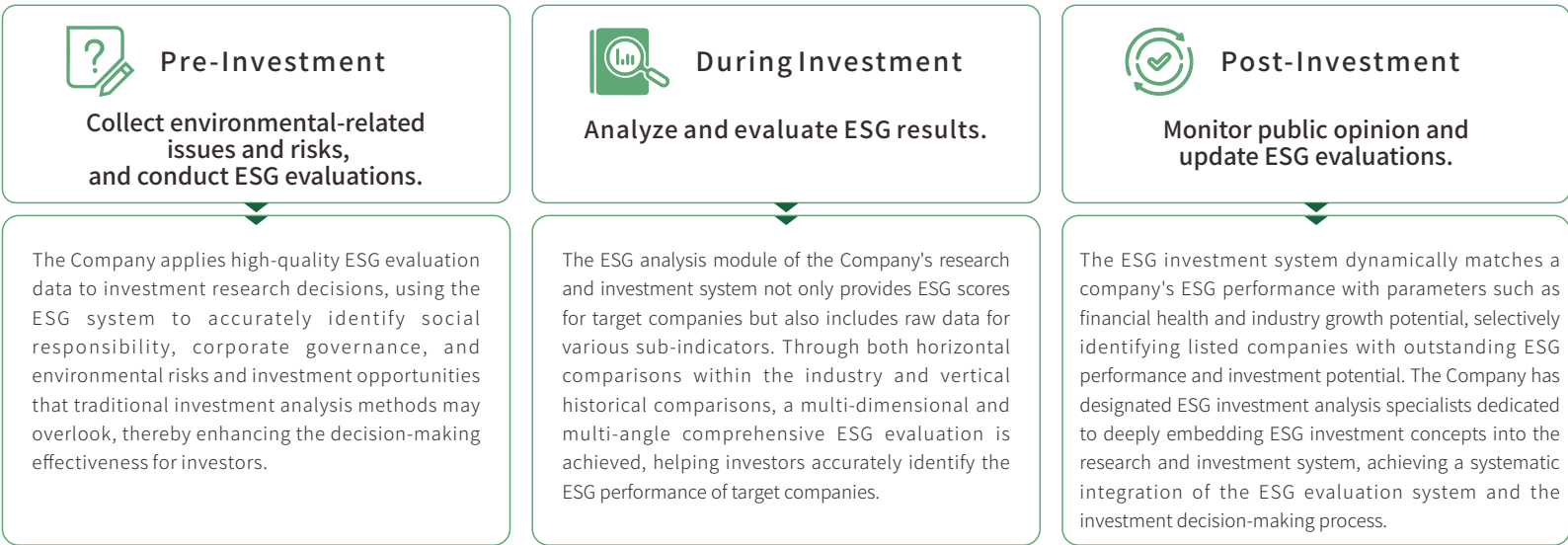
Climate Change-Related Goals: Support the "dual carbon" goals and achieve carbon neutrality at the operational level by 2040

Indicator	Unit	2022	2023	2024
Total Greenhouse gas emissions	Tons of CO2 equivalent	3,712.67	4,077.15	4,283.06
Scope 1 Greenhouse gas emissions	Tons of CO2 equivalent	143.15	121.07	127.77
Scope 2 Greenhouse gas emissions	Tons of CO2 equivalent	3,569.52	3,956.08	4,155.29
Greenhouse gas emissions per capita	Tons of CO2 equivalent/person	0.98	0.90	0.89
Natural gas consumption per unit of area	m <sup>3</sup> / m <sup>2</sup>	1.50	1.10	1.30

Developing Green Finance

The Company continuously deepens its focus on ESG investments and has established a comprehensive management system for the entire ESG investment process. It has independently developed an ESG research and investment system that integrates environmental risk factors throughout all stages of investment decision-making—pre-investment, during investment, and post-investment—forming a closed-loop management system. This significantly enhances the accuracy of green financial asset allocation and the level of green financial management.

Caitong Securities: Environmental Risk Identification, Assessment, and Monitoring Process






The Company conducts in-depth analyses of the relationships between various business lines and national policies on green finance and transitional finance, achieving a high degree of alignment between policy guidance and operational practice. This continuous effort strengthens the capability to translate and implement national strategies for green finance.

Key Areas	Our Actions and Achievements
Equity Investment	<ul style="list-style-type: none"><li>The Company analyzes the fundamentals of enterprises from a medium- to long-term perspective, identifying companies with sustainable competitive advantages, strong profitability, and management teams that value shareholder rights. Emphasis is placed on using ESG factors to identify potential risks in target companies, dynamically adjusting ESG factors across different regions and industries.</li><li>Compared to traditional equity investment, the Company incorporates research on environmental, social, and governance (ESG) factors into its evaluation system. By practicing the ESG evaluation framework in equity investments, the Company indirectly engages in managing environmental, social, and governance issues within the invested companies, driving them to enhance their ESG management standards.</li></ul>
Fixed Income Investment	<ul style="list-style-type: none"><li>The Company combines top-down thematic research with bottom-up fundamental assessments, integrating the ESG evaluation framework into the fundamental analysis of fixed income investments. This is aimed at reducing investment risks, uncovering investment opportunities, and enhancing risk-adjusted returns through ESG factor analysis.</li><li>In bond investments, the Company pays attention to the ESG governance performance of issuing companies and incorporates this into the assessment of bond investments, effectively avoiding companies with significant ESG risks and deteriorating ESG characteristics.</li></ul>
Quantitative Investment	<ul style="list-style-type: none"><li>The Company applies ESG investment strategies in the quantitative investment domain. When selecting managers for public and private funds, internal control governance and ethical risks are incorporated into the evaluation of investment management capabilities during the due diligence process.</li></ul>
Alternative Investment	<ul style="list-style-type: none"><li>At the corporate level, the Company explores the application of an ESG investment framework in alternative investments, including private equity and real estate investment. This is done while thoroughly implementing national industrial adjustment policies and fostering a strong awareness and philosophy of ESG investment risk.</li></ul>

## Green Financing

The Company fully implements green finance policies and regulations, leveraging the comprehensive financial service advantages of the "investment bank + investment + wealth management" model of the Financial Group. It engages in diversified businesses such as equity financing and bond financing to meet the financing needs of enterprises for low-carbon transformation, accelerating the green upgrade process of the real economy with full-chain financial services.

Green Financing	Our Actions and Achievements
Green Bond Underwriting	We actively participate in green bond underwriting, assisting multiple enterprises in completing green bond issuances, facilitating financing channels for environmental protection and clean energy projects, and guiding more social funds toward green industries. The underwriting amount for green bonds in 2024 is CNY 1.924 billion.
Green Asset Securitization	As of the end of 2024, our asset management company has issued a total of CNY 6.231 billion in green ABS products, covering various fields such as municipal infrastructure, real estate, and new energy vehicles.
Green Credit Investment	We have increased our credit investment in green projects, prioritizing support for projects and enterprises that align with national green industry policies, providing robust financial support for green economic development.
Combining Rural Revitalization with Green Finance	We continue to collaborate with Caiyuan Township in Suichang County, Lishui City, Zhejiang Province, to jointly build industrial facilities for the "Common Prosperity Farm." We integrate green finance concepts into rural revitalization practices, providing financial support for the development of the local cultural and tourism industry, and helping rural areas enhance their "self-sustaining capabilities."

Case

### Caitong Asset Management Issues Over CNY 1.5 Billion in Green ABS, Supporting Financing for the New Energy Vehicle Industry Chain

In June 2024, Caitong Asset Management issued the "Smart Puhua Financial Leasing Xinghe Phase III Asset-Backed Special Plan," with an issuance scale exceeding CNY 1.5 billion. This asset-backed special plan focuses on financing the new energy vehicle industry chain, empowering the development of green industries through financial innovation.

## Green Investment

The Company adheres to the development philosophy of "Green Leads the Future," deeply integrating key ESG factors such as the environment and climate change into various core business processes. We leverage capital to promote the green upgrade of industrial structures.

### During the reporting period

The Company successfully assisted in the issuance of green bonds worth CNY **425** million, with a green bond holding scale reaching CNY **1.645** billion.



## Green Investment

## Our Actions and Achievements

## Green Industry Investment

- As of December 2024, Caitong Innovation has invested in 22 various green projects, including new energy and energy-saving environmental protection, with an investment scale of approximately CNY 1.427 billion, accounting for 35% of the total.
- Caitong Capital has invested in JinGu Avatar, supporting the greening of the automotive industry.
- In 2024, the Company supported the issuance of CNY 425 million in green bonds.

## Green Investment Advocacy

- We place great importance on responsible investment advocacy and communication, strengthening the promotion of ESG concepts through specialized training and self-media platform outreach.



## Case

## Caitong Capital Invests in JinGu Avatar, Supporting the Greening of the Automotive Industry

In December 2024, Caitong Capital invested CNY 20 million in Hangzhou JinGu Avatar Low-Carbon Wheel Co., Ltd., providing the driving force for the green development of the national automotive industry. In the context of increasing pressure to reduce automotive emissions, vehicle lightweighting is of significant importance for saving energy, reducing emissions, and achieving sustainable development strategies. The new low-carbon steel wheel project developed by JinGu since 2011 uses niobium microalloyed steel as a new lightweight material, which offers advantages such as low weight, high strength, and low cost, representing an upgrade and optimization over traditional steel and aluminum wheels.



"Avatar" Niobium Microalloyed Low-Carbon Wheels - Display Image



## Case

## Caitong Capital and Caitong Innovation Invest in Anada, Successfully Listed on the Main Board of the Shanghai Stock Exchange

On July 3, 2024, Anada Drive Technology (Shanghai) Co., Ltd. successfully listed on the main board of the Shanghai Stock Exchange. Anada is a high-tech enterprise specializing in the research, development, production, and sales of electric drive systems for electric two-wheelers. It is committed to developing efficient, energy-saving, and environmentally friendly electric drive technologies, creating intelligent and green travel solutions based on innovative low-carbon products. Caitong Capital and Caitong Innovation, as co-investors in Anada, provide comprehensive financial services and empower Anada with capital to better support environmental protection efforts.



## Green Research

The Company conducts in-depth green research and actively participates in industry communication and discussions, aiming to explore effective integration points between sustainable development and environmental protection. We have established a specialized green research team that thoroughly analyzes the green industry chain and regularly publishes quantitative assessments of environmental benefits and analyses of investment value correlations. In 2024, we released a total of 2,890 research reports, including several focused on green development and sustainable investment, such as "Green Certificate-CCER Linkage Mechanism Released, Clearly Defining Market Boundaries," "September Green Certificate Data Released, Accelerating the Construction of Carbon Accounting Systems," and "Draft Carbon Market Work Plans for Three Industries Released for Public Feedback," providing investors with accurate and comprehensive green financial information and professional advice.



## Case

## Caitong Asset Management Hosts Seminar on Insights and Investment Value of Clean Energy REITs

In September 2024, Caitong Asset Management held a closed-door seminar on clean energy REITs in Shanghai, gathering experts from both the industry and investment sectors to jointly envision the development roadmap for clean energy REITs. Participants conducted an in-depth analysis of the current situation in the energy industry and exchanged views on clean energy investment and financing strategies as well as REITs practices. They collaboratively sought solutions to common challenges faced in industry development.



## Practicing Green Operations

The Company is grounded in the "dual carbon" strategy and firmly upholds its strategic positioning as a "pioneer in green development." We actively promote and implement low-carbon and environmentally friendly operational models and methods, comprehensively advocating for green and civilized office practices. During the reporting period, the Company continuously optimized its energy resource utilization measures, effectively advancing the implementation of energy-saving actions to achieve environmental performance goals.



## Environmental Management

The Company adheres to relevant laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, the *Circular Economy Promotion Law of the People's Republic of China*, and the *Energy Conservation Law of the People's Republic of China*. Responding to the call for comprehensive strengthening of ecological civilization construction, we integrate the concept of green and low-carbon development into the entire process of daily operational management, striving to reduce the consumption of natural resources and the impact on the environment. During the reporting period, the Company did not experience any confirmed violations related to environmental protection that had a significant impact on the Company.



## Energy Management

The Company continuously enhances energy-saving and consumption reduction management in its daily operations. Through implementing energy-saving renovations and optimizing equipment operation, we effectively reduce energy consumption and greenhouse gas emissions, actively contributing to the achievement of the national "dual carbon" strategic goals and promoting green and sustainable development in the economic and social spheres.



Key Areas	Our Actions
Data Center Energy Saving	<ul style="list-style-type: none"><li>The construction of the server room uses Vertiv variable frequency air conditioning, utilizing inverters to adjust the compressor speed to reduce energy consumption. Plans include upgrading precision variable frequency air conditioning and installing pump cabinet equipment to further lower air conditioning energy usage.</li><li>Installation of blind panels on unused server racks to block airflow, reducing "hot spot" issues and dehumidification efforts, thereby improving energy efficiency.</li><li>Engaging a professional team to strengthen server room maintenance, using specialized and refined management methods to enhance the cooling effect of dynamic environmental equipment and avoid energy wastage.</li><li>In 2024, the average PUE of the headquarters data center was 1.55, with an electricity consumption of 51,625,180 kWh; the average PUE of the disaster recovery center was 1.44, with a consumption of 2,690,761.2 kWh.</li></ul>
Energy Conservation and Reduction	<ul style="list-style-type: none"><li>Employees are encouraged to turn off lighting and electrical equipment promptly when not in use, eliminating the phenomenon of lights left on and computers running unnecessarily.</li><li>During working hours, make full use of natural light when possible and turn off unnecessary lighting sources.</li><li>Advocating for electricity conservation and strict settings of heating and cooling temperatures for air conditioners in office areas, with encouragement to use stairs for short distances to reduce elevator usage.</li><li>Updating approximately 700 fluorescent lights in the underground parking lot to new T8 energy-saving lamps, maintaining brightness while effectively reducing power consumption.</li></ul>
Fuel Savings	<ul style="list-style-type: none"><li>Encouraging employees to use new energy vehicles by installing charging stations in the Company parking lot, resulting in a reduction of per capita gasoline consumption to 13.8 liters, a decrease of approximately 2% year-on-year.</li><li>Guiding drivers to establish a sense of conservation, drive scientifically and according to regulations, and ensuring vehicles are in good condition to reduce emissions and consumption.</li><li>Equipping video conference and phone conference systems to encourage employees to engage in online learning and training, thereby reducing travel frequency.</li></ul>

## Water Resource Management

The Company adheres to the principles of conservation and protection in water resource management, actively promoting water resource management practices and responding to national policies encouraging water conservation. The main source of water consumption comes from the Company's daily operations, with its water supply sourced from municipal services rather than directly from nature. During the reporting period, the Company's total water consumption was 10,479 tons, with a per capita water usage of 6.8 tons per person. The amount of rainwater recycling and reuse was 2,533 cubic meters.

Key Areas	Our Actions
Water Conservation	<ul style="list-style-type: none"><li>Posting water conservation signage in public areas to encourage all employees to save water.</li><li>The Company building is equipped with an advanced rainwater harvesting system, which effectively utilizes collected rainwater for vegetation irrigation and vehicle washing after purification treatment, enhancing the recycling of water resources.</li><li>Timely replacement of damaged water supply fixtures and pipelines to eliminate issues such as leaks and water seepage, thereby preventing water source wastage.</li></ul>

## Waste Management

The Company's material consumption is primarily office paper. During daily operations, we focus on controlling the consumption of paper materials by utilizing information systems to reduce paper usage. For hazardous waste generated, such as electronic devices and toner cartridges, we implement classified collection, designated temporary storage, and entrust professional agencies for proper disposal. At the same time, we enhance the resource recovery of office waste, effectively achieving the goals of resource conservation and environmental protection in our office processes.

Key Areas	Our Actions and Achievements
Saving Office Supplies	<ul style="list-style-type: none"><li>Educate employees to develop a saving mindset and use various office consumables judiciously, such as promoting double-sided printing.</li><li>Prioritize the selection of energy-efficient and environmentally friendly products when procuring office supplies.</li><li>Encourage the internal reallocation of idle assets and equipment to reduce new purchases.</li><li>Conference materials are mainly transmitted or displayed in electronic document format to reduce paper consumption.</li><li>In 2024, the volume of waste A4 and A3 paper, toner cartridges, and powder cartridges all decreased year-on-year; the amount of waste paper decreased from 2,330,000 sheets to 1,917,500 sheets, a year-on-year decrease of 17.7%; the number of toner cartridges decreased from 876 to 704, a year-on-year decrease of 19.6%; the number of powder cartridges decreased from 431 to 346, a year-on-year decrease of 19.7%.</li></ul>
Optimizing Office Processes	<ul style="list-style-type: none"><li>An online approval platform for work processes has been established on the Company's intranet, encouraging employees to use email and OA systems to send internal documents and achieve online approval.</li></ul>
Saving Food	<ul style="list-style-type: none"><li>Advocate for employees to take food as needed in the cafeteria to avoid food waste.</li></ul>
Recycling and Utilization	<ul style="list-style-type: none"><li>Classify and process office waste; coordinate with local communities to have harmful waste, such as batteries and cartridges, treated by professional agencies. Arrange for dedicated personnel to finely sort recyclable waste for effective recycling.</li><li>For consumables such as ribbons, ink (toner) cartridges, and toner drums, implement a reuse strategy while ensuring quality, thereby reducing waste.</li><li>Establish a regular collection mechanism for household waste to ensure standardized disposal of classified garbage.</li></ul>



## Biodiversity Protection

The Company actively responds to the national biodiversity protection strategy by incorporating biodiversity conservation into its sustainable development strategic considerations. We collaborate with various stakeholders to carry out public welfare projects, continuously contributing to the protection of ecosystems and the restoration of biodiversity, promoting the harmonious coexistence of humans and nature.



Case

### Caitong Securities Organizes New Year's Running Event to Advocate for Social Attention to West Lake Wetland Ecology and Wildlife Protection

At the beginning of the new year, Caitong Securities launched the "Upholding integrity and harmony in pursuit of dreams" running event by the West Lake. Leaders from Caitong Securities and relevant leaders from strategic partners participated in the run, which passed through the Broken Bridge, Su Causeway, and Bai Causeway. As one of the highlights, this event integrated the concept of biodiversity protection by setting up ecological protection promotion points along the running route, advocating for a social focus on the ecology of the West Lake wetland and the protection of wildlife.





# Appendix

## Key Performance Indicators (KPIs)

### Economic

Indicator	Unit	2022	2023	2024
Total assets	CNY 100 million	1,256.92	1,337.54	144.555
Owner's equity	CNY 100 million	329.75	346.27	364.27
Operating income	CNY 100 million	48.27	65.17	62.86
Net profit	CNY 100 million	15.17	22.52	23.40
Basic earnings per share	CNY/share	0.34	0.48	0.50
Contract fulfillment rate	%	100	100	100

Note 1: The data in this table is sourced from the consolidated financial statements prepared by the Company in accordance with Chinese Accounting Standards for Business Enterprises, or calculated based on the aforementioned statements.

### Environmental

Indicator	Unit	2022	2023	2024
Total greenhouse gas emissions	Tons of CO2 equivalent	3,712.67	4,077.15	4,283.06
Scope 1 greenhouse gas emissions	Tons of CO2 equivalent	143.15	121.07	127.77
Scope 2 greenhouse gas emissions	Tons of CO2 equivalent	3,569.52	3,956.08	4,155.29
Greenhouse gas emissions per capita	Tons of CO2 equivalent/person	0.98	0.90	0.89
Total gasoline consumption	L	20,795.00	21,165.00	21,173.00
Per capita gasoline consumption	L/person	14.12	14.10	13.80
Gasoline consumption per unit area	L/m²	0.68	0.69	0.69
Natural gas consumption	m³	44,847.80	34,254	40,874.00
Per capita natural gas consumption	m³/person	30.40	22.80	26.68
Natural gas consumption per unit area	m³/m²	1.50	1.10	1.30
Total electricity consumption (data center)	kWh	4,365,629	4,795,940	5,277,819
Total electricity consumption (office area)	kWh	2,196,764	2,234,573	2,209,181
Per capita electricity consumption	kWh/person	1,491	1,489	1,442
Electricity consumption per unit area	kWh/m²	71.50	72.80	71.90
Renewable energy	kWh	53,642	61,894	64,304



Annual water consumption	Tons	13,237	9,348	10,479
Per capita water consumption	Tons/person	9.00	6.20	6.80
Amount of waste paper	Sheets	2,300,000	2,330,000	1,917,500
Toner cartridges	Pieces	804	876	704
Ink cartridges	Pieces	395	431	346
Amount of waste recycled	Tons	/	0.5	1.5

### Recruitment and Employment

Indicator	Unit	2022	2023	2024
Total number of employees	Persons	3,801	5,026	4,798
By gender	Male	Persons	2,073	2,652
	Female	Persons	1,728	2,374
By employment type	Full-time employees	Persons	/	/
	Part-time employees	Persons	/	/
By age	<30 years old	Persons	602	1,039
	30 to 50 years old	Persons	3,009	3,766
	>50 years old	Persons	190	221
By region	Domestic(Mainland China)	Persons	/	4,963
	Overseas (Hong Kong, Macau, Taiwan & foreign countries)	Persons	/	63
By education level	Doctoral degree	Persons	19	31
	Master's degree	Persons	1,119	1,638
	Bachelor's degree	Persons	2,463	3,115
	Associate degree and below	Persons	200	242



Total number of new employees		Persons	880	868	504
By gender	Male	Persons	496	463	265
	Female	Persons	382	405	239
By age	<30 years old	Persons	419	444	260
	30 to 50 years old	Persons	457	423	243
By region	>50 years old	Persons	2	1	1
	Domestic(Mainland China)	Persons	876	860	442
	Overseas (Hong Kong, Macau, Taiwan & foreign countries)	Persons	2	8	14
Employee turnover rate		%	14.2	12.86	15.18
Number of management personnel		Persons	184	190	195
Number of male managers		Persons	/	/	142
Number of female managers		Persons	/	/	53
Number of ethnic minority employees		Persons	63	91	85
Number of veterans		Persons	14	26	31

Explanation of data statistics scope: The statistical caliber is that of the parent company of Caitong Securities.  
Data calculation reference standard: Employee turnover rate for each category = Number of employees leaving in that category during the year / Number of employees in that category at the end of the year.

### Employee Equity

Indicator	Unit	2022	2023	2024
Labor contract signing rate	%	100	100	100
Social insurance coverage rate	%	100	100	100
Proportion of union membership	%	100	100	100
Average paid annual leave days per person per year	Days	/	/	8.6
Employee health check coverage rate	%	100	100	100
Coverage rate of employee occupational health records	%	100	100	100
Number of work-related injuries	Times	0	0	0
Number of employees who died due to work-related injuries	Persons	0	0	0

Explanation of data statistics scope: The statistical caliber is that of the parent company of Caitong Securities.  
Data calculation reference standard: The number of paid annual leave days is calculated according to China’s *Regulations on Paid Annual Leave for Employee*.

### Employee Training

Indicator		Unit	2022	2023	2024
Number of employees trained		Persons	3,565	4,232	4,212
Employee training coverage rate		%	93.79	94.17	100
By gender	Male	%	92.62	94.33	99.51
	Female	%	92.62	93.99	99.60
By employee category	Regular employees	Persons	3,400	4,061	4,027
	Middle management	Persons	154	157	168
	Senior management	Persons	11	14	17
Average training hours per employee per year		Hours	74.52	79.62	127.65
By gender	Male	Hours	69.30	79.63	120.91
	Female	Hours	77.64	79.61	135.23
By employee category	Regular employees	Hours	79.20	84.03	123.96
	Middle management	Hours	51.17	102.04	221.00
	Senior management	Hours	59.72	37.43	72.96

Explanation of data statistics scope: The statistical caliber is that of the parent company of Caitong Securities. The Company has established the "Employee Training Studio" of Caitong Securities, which has eight main functions: demonstration training, company culture showcase, training results display, presenter profile display, instructor team development, curriculum system development, simulation (practical) drills, and training experience exchange.

### Social Welfare

Indicator	Unit	2022	2023	2024
Amount of investment in public welfare and charity	CNY 10,000	3,588.60	1,688.30	1,915.28

Explanation of data statistics scope: Headquarters of Caitong Securities and its subsidiary companies.

### Information Security

Indicator		Unit	2022	2023	2024
Information security	Number of training sessions	Times	4	4	6
	Number of participants	Persons	All employees	All employees	All employees
	Training coverage rate	%	100	100	100
	Average hours of information security training per employee	Hours	2	3	3.6

Explanation of data statistics scope: Headquarters of Caitong Securities and its subsidiary companies.



### Anti-Corruption Training

Indicator	Unit	2022	2023	2024
Number of training sessions	Times	10	11	12
Training Coverage Rate	%	100	100	100

Explanation of data statistics scope: Headquarters of Caitong Securities and its subsidiary companies.

### Indicator Index

#### Shanghai Stock Exchange Listed Company Self-Regulatory Guidelines No. 14 – Sustainability Report (Trial) Index

Dimension	No.	Topic	Chapter Index
Environmental	1	Response to Climate Change	Addressing Climate Change, Developing Green Finance
	2	Pollutant Emissions	Practicing Green Operations
	3	Waste Management	Practicing Green Operations
	4	Ecosystem and Biodiversity Conservation	Practicing Green Operations
	5	Environmental Compliance Management	Practicing Green Operations
	6	Energy Utilization	Practicing Green Operations
	7	Water Resource Utilization	Practicing Green Operations
Social	8	Circular Economy	Developing Green Finance, Practicing Green Operations
	9	Rural Revitalization	Enthusiasm for Social Welfare
	10	Social Contribution	Serving the Real Economy, Practicing Responsible Investment
	11	Innovation Driven	Developing Digital Finance
	12	Tech Ethics	Not Applicable
	13	Supply Chain Security	Lawful and Compliant Operations
	14	Equal Treatment of Small and Medium Enterprises	Advancing Inclusive Finance
	15	Product and Service Safety and Quality	Enhancing Service Quality
	16	Data Security and Customer Privacy Protection	Lawful and Compliant Operations
Governance	17	Employees	Empowering Employee Growth
	18	Due Diligence	Sustainable Development Management
	19	Stakeholder Communication	Sustainable Development Management
	20	Anti-Bribery and Anti-Corruption	Lawful and Compliant Operations
	21	Anti-Unfair Competition	Lawful and Compliant Operations, Strengthening Risk Management

### CASS-ESG 6.0 & GRI Index

Report Table of Contents		CASS-ESG 6.0	GRI
About the Report		P1.1-P1.3	2-2、2-3、2-4
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Governance: Striving for Excellence to Build a First-Class Company	Lean Corporate Governance	G1.1-G1.11、S3.4-S3.11	2-12、2-15、2-26、2-27、205-2
	Lawful and Compliant Operations		
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Social: Riding the Tide of Progress to Nourish All Industries	Practicing Responsible Investment	S1、S2、S3.1-S3.3、S4、S5、V1、V2、V3	2-19、2-20、206、401、404、405-1、413-415、403、416-1、417、418
	Serving the Real Economy		
	Enhancing Service Quality		
	Empowering Employee Growth		
	Enthusiasm for Social Welfare		
Environmental: Harmonious Coexistence, Building Dreams Together, Revitalizing Life	Addressing Climate Change	E1-E5、V4	301-2、302-4、303、306
	Developing Green Finance		
	Practicing Green Operations		
Appendix	Key Performance Indicators(KPIs)	A2	-
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	Feedback	A5	-



## Feedback

Dear Readers,

Thank you for taking the time to review our report. To enhance the quality of our reporting and strengthen Caitong Securities' sustainability performance, we sincerely welcome your feedback and suggestions.

Which stakeholder group do you belong to?

- ☐ Government and regulatory authorities
- ☐ Customers
- ☐ Employees
- ☐ Suppliers
- ☐ Scientific research institutions
- ☐ Others

Your evaluation of the report:

1、What is your overall evaluation of this report?

- ☐ Excellent
- ☐ Good
- ☐ Average
- ☐ Poor
- ☐ Very Poor

2、Do you think the information, data, and indicators disclosed in this report are clear, accurate, and complete?

- ☐ Very Reasonable
- ☐ Reasonable
- ☐ Average
- ☐ Poor
- ☐ Very Poor

3、What do you think of the report's layout design and presentation?

- ☐ Excellent
- ☐ Good
- ☐ Average
- ☐ Poor
- ☐ Very Poor

4、In which areas do you think this report can be improved?

- ☐ Report Theme
- ☐ Design and Layout
- ☐ Content Logic
- ☐ Language Expression

5、Do you have any suggestions for our future sustainable development work and report preparation?