

# 2019 Noah Holdings Ltd. Sustainability Report



## About the Report

This is the sixth edition of Sustainability Report released by Noah Holdings Limited ("Noah" or "we/us"). By releasing an annual sustainability report, we wish to allow more stakeholders who are interested in Noah to know about the corporate social responsibilities we have fulfilled and the efforts we make in creating sustainable economic, environmental and social values. Meanwhile, we wish to encourage more companies to have a dialogue with the public, and create a better environment with us together.

## Scope of Report

This report discloses Noah's management concepts in 2019 (from January 1 to December 31) in governance, society and the environment, as well as its performance and achievements in these key issues. Information and data in the report cover Noah's headquarters. In the future, we will gradually expand data coverage to subsidiaries and information beyond the organizational boundary, taking full organization disclosure as our pursuit. Meanwhile, in order to demonstrate project results and related trends, some of the information provided extends back to 2018 and forward to 2020, presenting Noah's specific actions and progress in detail, in fulfillment of our corporate social responsibilities.

## Reporting Guidelines

The report has been developed with reference to the Global Reporting Initiative (GRI) and AA1000 (2008) standards, and complies with the Core options of the GRI Standard.

## Reporting Period

This annual report is regularly released in Chinese and English, and an electronic version is provided on the Noah website for online browsing or downloading.

**The previous report was released in June 2019**

**The next report will be released in June 2021.**

## Comments and Feedback

Should you have any suggestions or comments on this report, please feel free to contact us in the following ways:

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Chairwoman of the Board of Directors  
**Wang Jingbo**

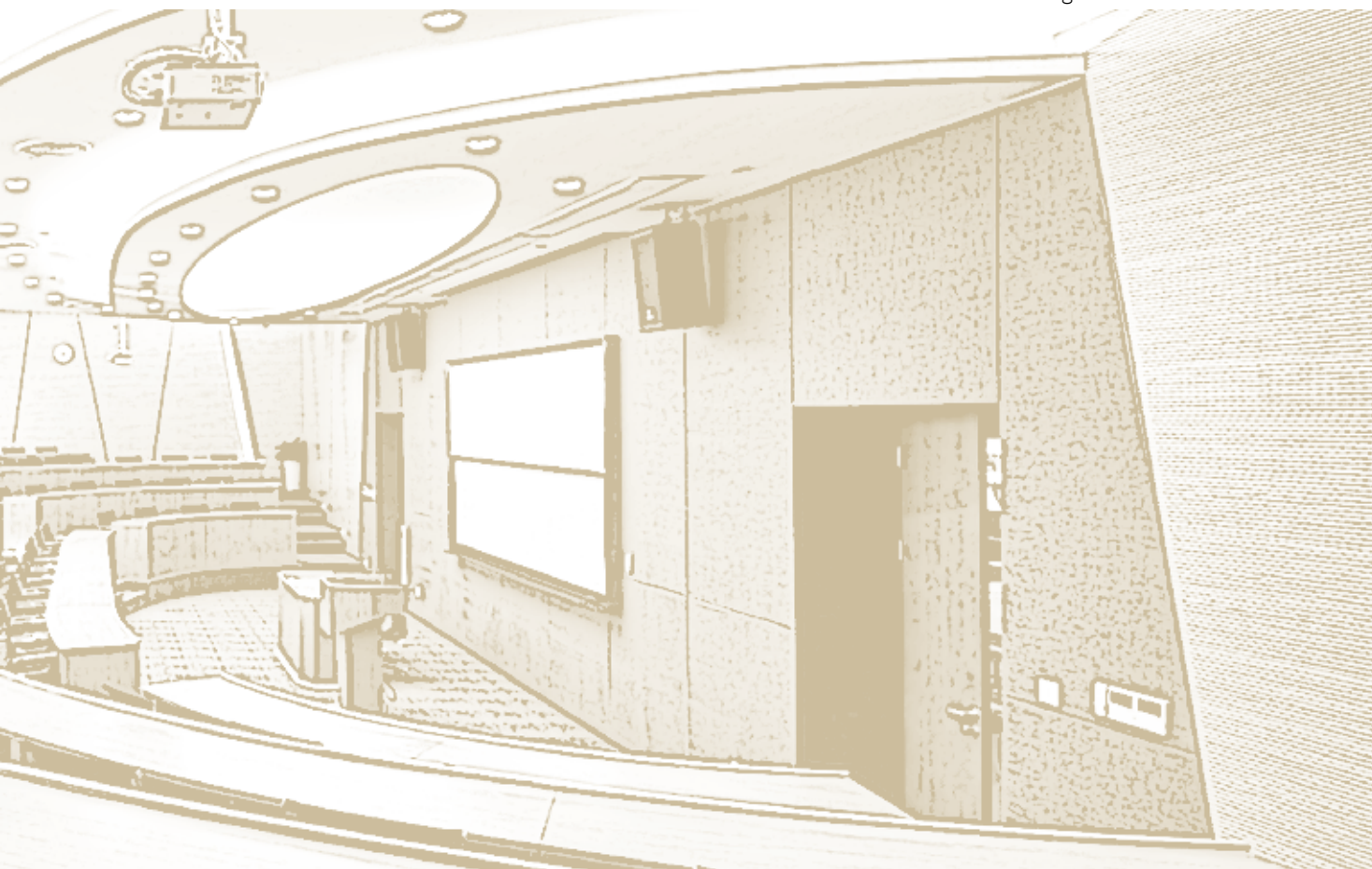
## Message from the Chairwoman

At the end of 2018, we launched our new corporate mission "Enriching Life with Wealth and Wisdom." Every time I hear this sentence, I feel the dignity and power it conveys, as well as the burden of this new responsibility. Our vision has been simplified to "Become the most understanding and trust-worthy partner of clients through the constant pursuit of quality and professionalism".

2019 is an unusual year for Noah. As far as the wealth management industry is concerned, with changes happening in the macro environment and regulatory policies, the industry is now witnessing fundamental changes in the underlying logic of the market. Correspondingly, Noah has taken the initiative to make changes in its own paradigm, and discontinued all non-standard fixed income products to embrace the era of volatile net worth.

Looking back on the last fifteen years of our company's development, we have been able to realize different values and assumed different responsibilities despite the challenges we have faced each step along the way. In our start-up phase, every one of us worked collaboratively to forge a path through the chaos and ensure the survival of our company; in the growth phase, we constantly expanded our business capabilities and professional networks to meet client demands, and correspondingly, our responsibilities expanded. Now, with the Company entering a phase of relative stability and maturity, the difficulties and challenges we have encountered increase as our capabilities expand. Now is the time for revitalization and maintaining agility and flexibility through organizational changes internally, while continuing to adhere to common sense practices and respect for the market externally.

Enterprises are like people, in order to grow, we must break through three impediments: we must give up inherent advantages and habits, maintain an open learning attitude, assume greater responsibilities and maintain effective communication and sharing. As we continue to grow, resources will become available to us, and the world will help us. In such a synergy with society, we will develop stronger capabilities and responsibilities.



Fortunately, thanks to our understanding of the wealth management and asset management industry, Noah has never made any attempt at capital pooling since opening in 2005. Be it a fund product consigned to Noah or one managed by Gopher, all Noah products are operated independently, held in trust by third parties. There has been no maturity mismatching, high-leverage financing or rigid payment imposition. As a result, Noah has survived a number of economic down-cycles and risky scenarios without systemic and cross infections. This is the mission and the responsibility we have taken on in our profession. Meanwhile, fifteen years of development has brought us greater social responsibilities. At this point, we need to think systematically about our responsibilities and mission in the context of a bigger picture with a higher perspective.

I am particularly gratified that, with the efforts of our colleagues, we are now releasing the sixth edition of the *Noah Sustainability Report* to global investors. We have accumulated certain advantages, but there is still a long way to go in some areas, such as ESG (environmental, social and governance) responsible investing.

On the occasion of releasing the sixth edition of the *Noah Sustainability Report*, we once again state our values as following: client-oriented, embracing changes, mental maturity, professionalism, enthusiasm, and integrity. In the future, all Noah employees will make every effort to provide practical services to clients and take on even greater responsibilities for the society-at-large.

## | Noah Honors |

### Noah Holdings

- ★ Best Independent Wealth Manager in China—*Asian Private Banker* China Wealth Awards
- ★ Best Independent Financial Advisor, Hurun Best of the Best Awards
- ★ Independent Wealth Leadership Award, 4th Global Asset Allocation Focus (GAAF), Association of Private Bankers in Greater China Region of CFRI
- ★ Wealth Management Firm of the Year & Best Wealth Manager for FoF for the third consecutive year, *Asiamoney* China Wealth Management Awards
- ★ Best Boutique Wealth Manager China, *The Asset* Triple A Private Banking, Wealth Management, Investment and ETF Awards
- ★ Pioneer in Targeted Poverty Alleviation, the Second Financial Poverty Alleviation Pioneers Award, China.com.cn
- ★ Comprehensive Financial Service Company of the Year, 21st Century Asia Financial Competitiveness Awards, 21st Century Business Herald
- ★ Wealth Manager of the Year for Comprehensive Strength, China Golden Tripod Awards, *National Business Daily*
- ★ Golden Elephant Award for the fifth consecutive year—China Independent Wealth Manager of the Year, *Fortune Today*
- ★ Golden Counter Award: Best Financial Innovation Brand of the Year & Top Ten Financial Public Welfare Brands of the Year at the eighth financial industry service evaluation, *Xinkuaibao Daily*
- ★ Best Independent Wealth Manager China for the second consecutive year, Global Wealth and Society Awards, *The Asian Banker*
- ★ Golden Plume Award: Best Asset Allocation Service for the second consecutive year, 16th Annual Wealth Management and Private Banking Asia, Shine Consultant
- ★ Jinxi Award: Best Brand Management Company, *China Investment Network*
- ★ Jinzhen Award: Best Wealth Management Performer, Best Wealth Management Performer—*Client Service, Wealth*
- ★ Best Private Fund Company, the 13th Golden Cicada Award, China Times





## Awards Received by Management

### ★ Ms. Jingbo Wang

Enlisted for 6 consecutive years in the 30 Most Influential Business Women in China—Top 10 Business Women of the Year, *Chinese Entrepreneur*

### ★ Mr. Zhe Yin

Golden Investment Prize, Top 50 Influential PE Investors in China

### ★ Ms. Wenhong Tan

Best Investor in China's Real Estate Industry

### ★ Mr. Yihao Liu

Youth Leader, FoFWeekly





## ABOUT US

Developed in China, recognized globally—  
pathfinder and leader in the independent wealth management industry in China

Since its establishment, Noah has been providing comprehensive wealth management services to address client needs. Being people-oriented and basing our decisions on long-term thinking, we create value for high-net-worth clients with strict ethical standards, high-level risk management and diversified and comprehensive services. We uphold the concept of fulfilling social responsibilities, and make consistent contributions to society through a variety of management practices and actions.

- **The first** independent wealth management company in China listed on the New York Stock Exchange (NYSE)
- **16 years** of continuous operation
- **Investment grade** rating by S&P Global
- Constituent Chinese concept stock in **MSCI**
- An asset allocation scale of RMB **671.8 billion**
- An overseas asset management scale of RMB **24.8 billion**
- An asset management scale of RMB **170.2 billion**
- An incremental funding scale of RMB **26.4 billion** for standardized products
- All products **100%** independently managed
- **1,288 professional** relationship managers



## Our Mission: Enriching Lives with Wealth and Wisdom

### Our Vision

Become the most understanding and trust-worthy partner of clients through the constant pursuit of quality and professionalism.

#### Noah's overseas business comprehensively developed, and the family office mode upgraded

- Noah has been continuously pushing globalization forward. At present, Noah's global financial services cover Hong Kong, Taiwan, New York, Silicon Valley, Vancouver, and Melbourne. Noah Australia joined hands with six top family offices in Australia and established the ACFO Alliance to address the comprehensive needs of the ultra-high-net-worth group.

#### A new phase in our globalization strategy

- Obtained Jersey Island trust license
- Established Ark Trust (Jersey) Co., Ltd.
- Set up Noah U.S. Office
- Gopher Asset joined hands with Sequoia Capital
- Group wealth management scale reached RMB 380.8 billion

#### More than 90 subsidiaries

- Wealth management scale exceeded RMB 180 billion
- Gopher Asset management scale exceeded RMB 50 billion

#### More than 50 subsidiaries

- Noah Hong Kong obtained license
- Noah Upright obtained license

#### The first wealth management company in China to go public

- Gopher Asset Management established
- Noah Holdings listed on the NYSE

**2019** Embracing Change and Progressing Steadily

**2018**

**2017**

**Globalization 3.0 strategy fully implemented**

- Set up office in New York; two overseas companies in Australia and Canada successfully opened for business

**2016**

**2015**

**135 subsidiaries**

- 5th anniversary of going-public
- Asset management scale reached RMB 279.4 billion

**2014**

**2013**

**Raised more than RMB 100 billion**

- Provide comprehensive finance service
- The preliminary structure for a comprehensive financial service group has begun to emerge

**2012**

**2011**

**Over 200 professional relationship managers**

- A national network covering 59 branches

**2010**

**2009**

**Raised over RMB 10 billion**

- Served more than 10,000 high-net-worth clients

**2007**

**3 subsidiaries**

- Received capital injection from Sequoia Capital, became a leading independent wealth management company in China

**2005**

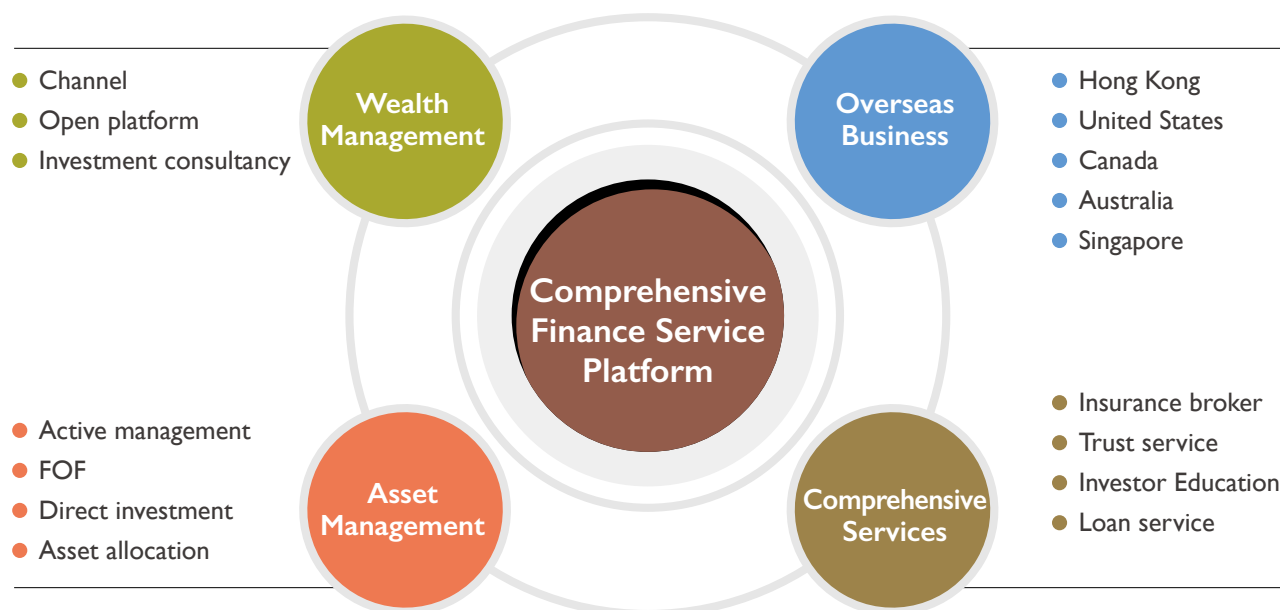
**Established in Shanghai as a pathfinder in the industry**

- The first independent wealth management company in China

**2003**

- Private banking headquarters of a well-known securities company

## Noah Holdings Is More Than a Wealth Management Company



Strategic investment/data system/risk control and compliance/marketing and brand activities/training/investor education  
**Open product and service platform**

Founded in 2003, Noah is the first independent wealth management company in China. Unlike traditional financial institutions, Noah is a company that puts clients' interests first and uses an independent and objective perspective to provide clients with professional selection, asset allocation and portfolio management services for various types of domestic and overseas financial investment products.

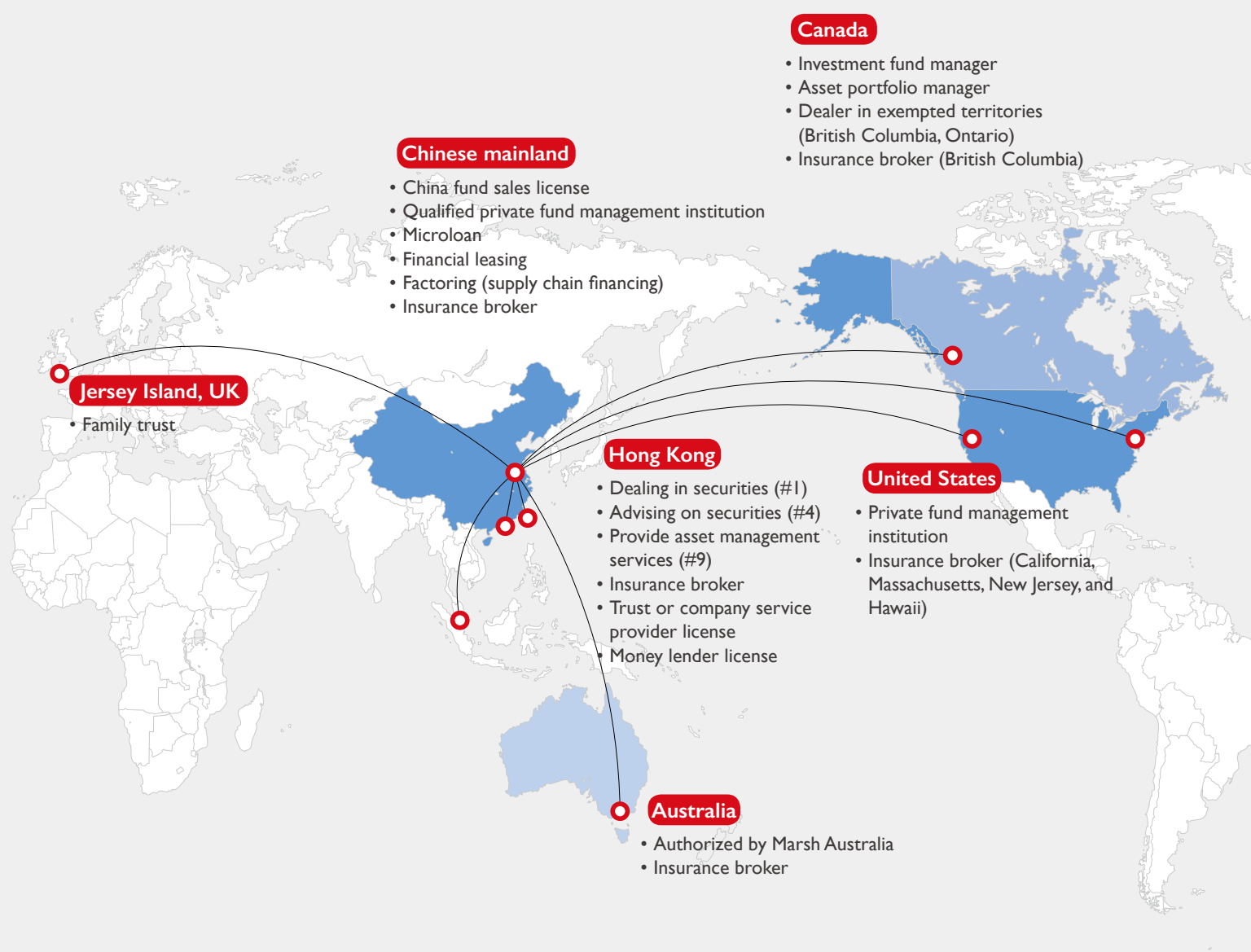
In 2007, Noah received capital injection from Sequoia Capital, a renowned venture capital fund in the United States. After rapid and steady development and thanks to our full-market and multi-dimensional product selection and risk control system, Noah participated in the innovation and design of financial products, and successfully went public as Noah Holdings (NYSE: NOAH) on the New York Stock Exchange on November 10, 2010. From this time on, Noah's development accelerated thanks to local advantages in China and capital injection from overseas investors.

Noah Holdings takes "Enriching Life with Wealth and Wisdom" as its mission, and "Becoming the most understanding and trust-worthy partners for our clients by constantly pursuing quality and professionalism" as its vision. Integrity, client-orientation, embracing changes, mental maturity, professionalism, and enthusiasm are the core values of Noah Holdings. As of the end of 2019, Noah Holdings hit a cumulative allocation scale of RMB 686.7 billion and a cumulative asset management scale of RMB 170.2 billion. Noah has set up subsidiaries in 82 Chinese mainland cities including Shanghai, Beijing, Guangzhou and Shenzhen and included business in Hong Kong, Taiwan, and Vancouver, Silicon Valley, New York, Melbourne and Singapore. Currently at Noah, 1,288 relationship managers are providing nearly 300,000 high-net-worth individuals with comprehensive financial services, capable of meeting the diversified wealth management needs of clients in areas such as family trust, tax planning, immigration and education. It can be said that, after 16 years of development, Noah Holdings has created a first-class comprehensive financial service platform covering all dimensions and all services for high-net-worth Chinese clients worldwide.

## Strategy Layout

The demand for wealth management from high-net-worth clients in China is growing rapidly, and these clients have already gained extensive experience. As a leader in providing wealth management and asset management services to high-net-worth individuals in China in the past 13 years, Noah has seen the urgency and necessity of establishing a global comprehensive asset allocation platform for clients to meet their changing demands. In order to enhance our capabilities in global market research and global product design and thereby provide clients with an extensive global asset allocation service plan, we have successively entered into strategic cooperation with international asset management institutions and investment experts.

All subsidiaries of Noah Holdings operate legitimately and compliantly. We have obtained a range of operation permits, licenses and qualifications. The following table lists only part of the licenses and qualifications we have attained.



## Group Structure

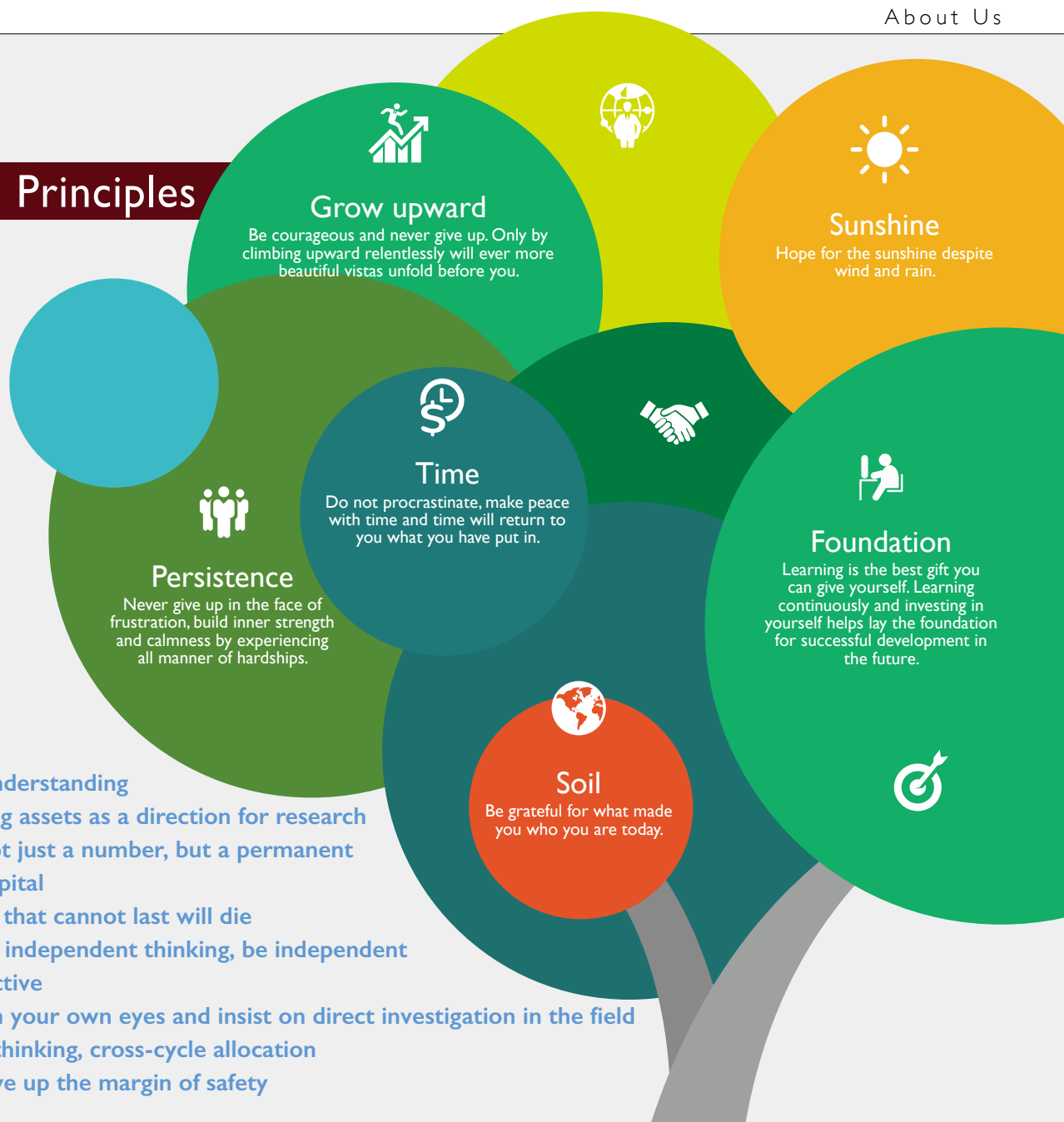
At present, Noah Holdings has established a global open platform for wealth management, asset management, and products, to provide more than 280,000 high-net-worth clients with wealth management, overseas asset allocation, high-end insurance, high-end education and other comprehensive financial services, thereby constantly creating value for Chinese investors worldwide. We are committed to providing comprehensive financial services to address client's demands.

### Focusing on clients' needs and offering comprehensive financial services



## Noah Principles

1. Taking understanding underlying assets as a direction for research
2. Risk is not just a number, but a permanent loss of capital
3. Anything that cannot last will die
4. Persist in independent thinking, be independent and objective
5. Believe in your own eyes and insist on direct investigation in the field
6. Reverse thinking, cross-cycle allocation
7. Never give up the margin of safety



### Clients

- ❖ Clients' interests come first. Every client is our most important client.
- ❖ Placing an order is only the beginning of service, be considerate and meticulous throughout the entire service process.
- ❖ Be legitimate and compliant with NO EXCEPTION.
- ❖ Demands and feedback from clients are the source of innovation for the Company.
- ❖ Guide clients to learn and grow, and establish long-term and lasting trust relationship with clients.



### Employees

- ❖ Focus on listening to first-line partners.
- ❖ Care for each other and pass on love.
- ❖ Create a culture.
- ❖ Values first
- ❖ Understand the power of recognition, recognize them fully and encourage each other to work relentlessly.



### Partners

- ❖ Persist in professionalism
- ❖ Cooperation and a win-win mentality, focus on cooperation.
- ❖ Encourage cooperation with partners that share our values.
- ❖ Be professionally engaged and make dedicated commitments.
- ❖ Client's interests come first, not product revenue.



### Shareholders

- ❖ Lead industrial development with long-term and stable return and value addition.
- ❖ Establish a sophisticated governance structure.
- ❖ Create value and return it to those who give us value.
- ❖ Satisfy shareholder's pursuit of benefits with sustainable corporate strategy and corporate value growth, do not pursue instant success.
- ❖ Contribute to society and community where we operate on the basis of sustainable operation.





# CORPORATE GOVERNANCE

*"Since the establishment of Noah, we have insisted upon taking compliance and self-discipline as our lifeline. In the current market environment dominated by frequent black swan incidents, we have placed more stringent requirements on ourselves: make fewer mistakes, lay low and be humble at all times, focus on efficiency improvement and cost control, and concentrate on sustainable development."*

—— Jingbo Wang, Founding Partner, Chairwoman of the Board, and CEO

- We have created more value for shareholders with net profit attributable to shareholders (Non-GAAP) increased by **2.7%**!
- We have been conforming to the highest standards with no unethical legal violations!

## Governance Strategy

As a wealth management group that provides comprehensive financial services to high-net-worth clients, the trust Noah has gained from clients is our most precious asset, and such trust is rooted in Noah's corporate culture of integrity. Based on prudent governance and a complete code of ethics, Noah has established a philosophy of client-orientation, providing responsible products and services, and embracing a sense of social responsibility. We look forward to sustainable development and becoming a leader in the independent wealth management industry in China!

## Governance Structure

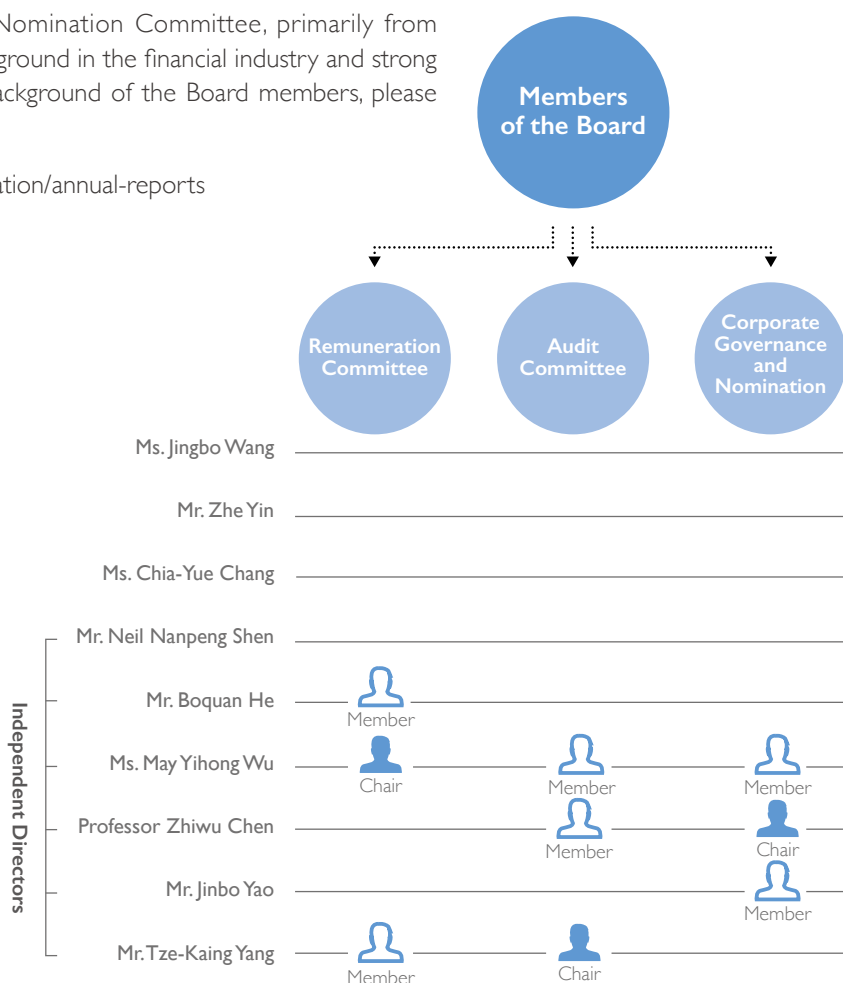
Noah Board currently consists of 9 directors (3 being female, accounting for 33%), among which 5 (over half) are independent directors capable of effectively supervising the Board activities and providing objective and professional advices regarding corporate operation. Board members have served an average of 8.7 years. In 2019, a total of 4 board meetings and 1 shareholders meeting were held. All shareholders, directors and stakeholders fully discussed and exchanged ideas on major operational matters of the Company. These meetings effectively improved Noah's operating performance and helped achieve an increase of 2.7% in net profit attributable to shareholders (Non-GAAP).

As a company listed on the NYSE, Noah's corporate governance systems strictly abide by the regulations of the Securities and Exchange Commission (SEC). The Board of Directors includes the Remuneration Committee, the Audit Committee, and the Corporate Governance and Nomination Committee, whose members and chairmen are all independent directors, in order to improve the transparency and efficiency of Board operation. Members of the Board must be selected by the Corporate Governance and Nomination Committee, primarily from industrial practitioners with a solid background in the financial industry and strong professional capabilities. For detailed background of the Board members, please refer to Noah Annual Report:

<http://ir.noahgroup.com/financial-information/annual-reports>

### Constitution of the Board

	Male 6	Female 3
30-50 years	2	1
50 and older	4	2



\* Members of the Board: <http://ir.noahgroup.com/corporate-governance/board-of-directors>  
Professional management team: <http://www.noahgroup.com/about/team>



## Transparency and Compliance

The Company's annual report discloses all major related-party transactions. Every year, we will also ask the members of the board of directors whether they are employed in any other capacity within the industry or serve as members of the board of directors. We established a process to avoid conflicts of interest for members of the board of directors and to protect the rights of shareholders and stakeholders.

## Information Disclosure Channel

Noah releases annual reports to the public in accordance with SEC regulations every year, detailing the Company's financial data over the past year, important news, and future risk assessment. In addition, Noah shares the latest updates with stakeholders on the Noah corporate website (<http://www.noahgroup.com/>) on a regular basis. We also share periodical reports on the macro economy, industry and special focus subjects on websites and social platforms such as our WeChat public account for stakeholders' reference.

In addition to practicing financial openness, information transparency, and implementing prudent corporate governance practices, Noah also attaches great importance to the code of ethics of the senior management, requesting all executives to follow the code of ethics when performing their duties. This may include: treating all shareholders fairly, aiming for the overall interests of the Company, and not impairing group interests for the pursuit of interests of individuals or specific teams.

## Financial Performance

According to the *2019 Credit Suisse Global Wealth Report*, despite the impact of trade disputes, slowdown in global economic growth, and stock market volatility, global wealth grew during the past year by 2.6% to USD 360 trillion and wealth per adult reached a new record high of USD 70,850, 1.2% above the level of mid-2018.

In 2019, China overtook the United States for the first time and became the country with the most people ranking in the top 10% for net worth globally. According to the report, the number of the global top 10% members is 100 million in China and 99 million in the United States. Statistics show that total household wealth in China reached USD 63.8 trillion, second only to that in the United States. In China, GDP per adult reached USD 12,663, mean wealth per adult reached USD 58,544, and median wealth per adult was 20,942.

According to the *2019 China Private Wealth Report* jointly produced by China Merchants Bank and Bain & Company, it is expected that the total investable assets held by Chinese individuals will exceed RMB 200 trillion in 2019. The report shows that, high-net-worth individuals have high expectations of family wealth preservation and inheritance, and desire for long-term wealth accumulation. As a result, high-net-worth clients will seek for and rely on a high level of professionalism in wealth management channels, this is precisely the niche in which Noah has specialized.

In 2019, the Group achieved a net revenue of RMB 3.39 billion, an increase of 3.1% year-on-year; non-GAAP net profit reached RMB 1.038 billion, an increase of 2.7% year-on-year. In terms of core business data, the amount of product collection in the wealth management sector reached RMB 78.5 billion, and the scale of management in the asset management sector continued to grow, reaching RMB 170.2 billion. The amount of standardized product collection reached RMB 26.4 billion throughout the year, an increase of 93.9% year-on-year; among which, nearly RMB 10 billion was collected in the fourth quarter, highlighting a substantial increase of 580.8% year-on-year and 30.4% month-on-month.

As the concept of globalizing wealth and asset management and allocation becomes increasingly accepted, the investment horizon of high-net-worth individuals in China is further broadened. Diversified cross-border allocation of a multi-regional, multi-currency, and multimodal nature is gaining recognition among high-net-worth individuals.

	Unit	2017	2018	2019	YoY
Net revenue		2,826.9	3,289.6	3,391.8	3.1%
Net profit attributable to Noah shareholders		837.4	1,010.8	1,038.2	2.7%
Employee compensation and benefits	In RMB millions	1,407.4	1,564.2	1,610.8	3%
Government tax payment		199.1	222.3	220	(1.0%)
Government cash subsidy		74.2	62.6	89.3	42.7%
Social investment/donation		2.7	3.3	5.4	60.6%



## Risk Management



Only by assuming necessary social responsibilities can the financial industry grow sustainably. Noah understands that the biggest risks in investment are systemic, external risks beyond our control. These are often the result of trend misjudgment or being too forward-looking or too self-confident. Therefore, Noah adheres to the principles of holding the bottom-line and not pursuing rapid profit. Instead, Noah places risk control at the core of management, strives for information transparency, looks at operations and products from the perspective of social impact, and embeds risk management philosophy into corporate strategy and daily operations.

Noah's risk management philosophy is based on five key features: compliance, comprehensiveness, applicability, timeliness, and completeness. The risk management team undertakes risk management work based on the above principles, striving to support the rapid and rational development of the Company by putting an advance emphasis on risk management.

### Noah Risk Management Concept

Compliance	All businesses should comply with regulatory, corporate and contractual requirements.	
Comprehensiveness	Risk management covers all of the Company's businesses.	
Applicability	Risk management must be consistent with current observations and the macro environment.	
Timeliness	Threats and risk control measures must be communicated up and down reporting lines in a timely manner.	
Full Scope	Risk management covers the entire business process.	



Noah's risk management covers the Company's main product and sales businesses, and is also embedded in each sub-line of business, establishing a basically self-contained risk management system and mode of operation with the Group Risk Management Center and the Group Risk Management Committee. A matrix management model has been adopted for Noah's overall risk management. The Group has established a risk control framework, within which business sectors make decisions and submit these for Group-level review, enabling business sectors' relevant functional lines to operate under an overall management framework, efficiently supporting business development.

This mode consists of four major levels. From highest to lowest, these levels consist of the Group Risk Management Committee, the functional departments of the Group Risk Management Center, the Risk Management Committee of subsidiaries, and the risk management team of subsidiaries. Operation and collaboration at these four levels ensure that risks associated with each product line are under control, risk data for each sub-business and implementation status and results of risk control measures are reported in time, and risk management measures, instructions and resource assurance measures from the management team are effectively communicated, thereby ensuring that risk management philosophy and control measures are implemented.





## Noah Risk Management Center

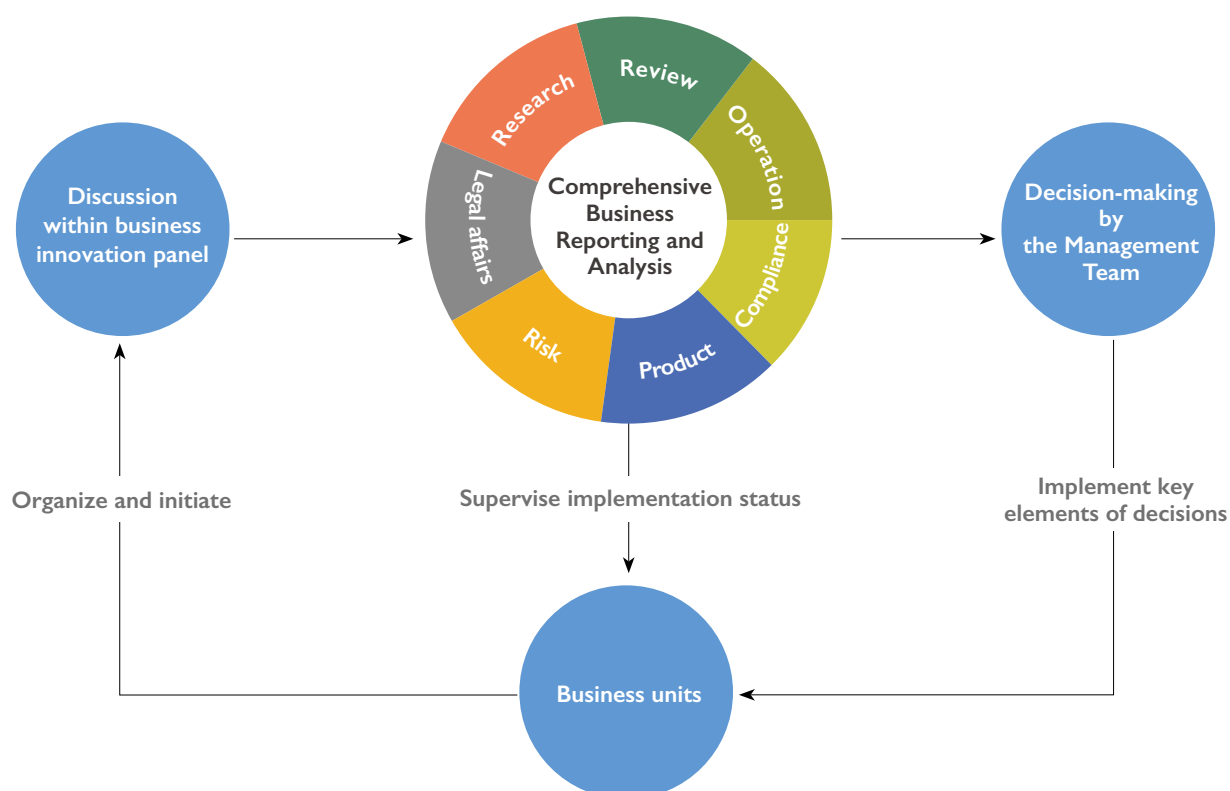
Risk is the essence of financial business and the source of return. In every financial institution, business development is accompanied by risk management. Therefore, the vision of the Noah Risk Management Center is to learn and apply expertise and sophisticated management methods from the perspectives of Noah clients and shareholders, effectively identify, assess and manage credit risk, market risk, liquidity risk, compliance risk, legal risk, operational risk, financial risk, reputation risk and other risks existing in the various business lines and financial products of Noah, effectively balance returns and risks, and help Noah clients and shareholders maximize revenue while keeping risks within an affordable, objective and reasonable range.

Noah Group Risk Management Center is involved in every single step and the entire process of financial products during the entire journey, and fulfills risk management functions at each step. RMC has introduced industry-leading risk management technologies to quantify risks across all business lines and consolidate these at corporate level, and has developed risk quantification and assessment models suitable for relevant scenarios, implementing exposure limit management, key risk monitoring and risk mitigation. RMC defines risk factors in strict accordance with each product's features, and undertakes exposure limit management while referring to quantitative statistics, leveraging risk management technologies to inform capital allocation. This underlies an appropriate model for allocation of economic capital, permitting effective management of product risks, protection of client and Company interests, and effective use of corporate resources for improved efficiency.

## Innovative Business Risk Management

Noah is an innovative wealth management organization, and the pursuit of innovation and excellence is the corporate culture and philosophy that Noah has always been advocating. In order to secure risks in advance while effectively supporting the development of innovative businesses, grasping and exploring market opportunities, and providing clients with better products, Noah gathers different resources for innovative business to effectively identify the risks inherent in innovative business in a timely manner; thereby supporting the incubation, realization and development of innovative business.

### Risk Management Process



## Strictly Screen and Control Product Risks

The key to excellent asset management is to obtain full insight into the quality of an investment program. To ensure the quality of every product and mitigate product risks, in addition to formulating the *Product Risk Control Guidelines* that lists in detail evaluation criteria for investment projects, we have also set up a dedicated Risk Management Committee (RMC) to control and manage product quality. The Noah Risk Management Committee (RMC) consists of 30 senior directors across different departments. The committee mainly assesses product threats, sales methods and pricing, and reaches a final decision based on an assenting vote by a minimum 2/3 of the members.

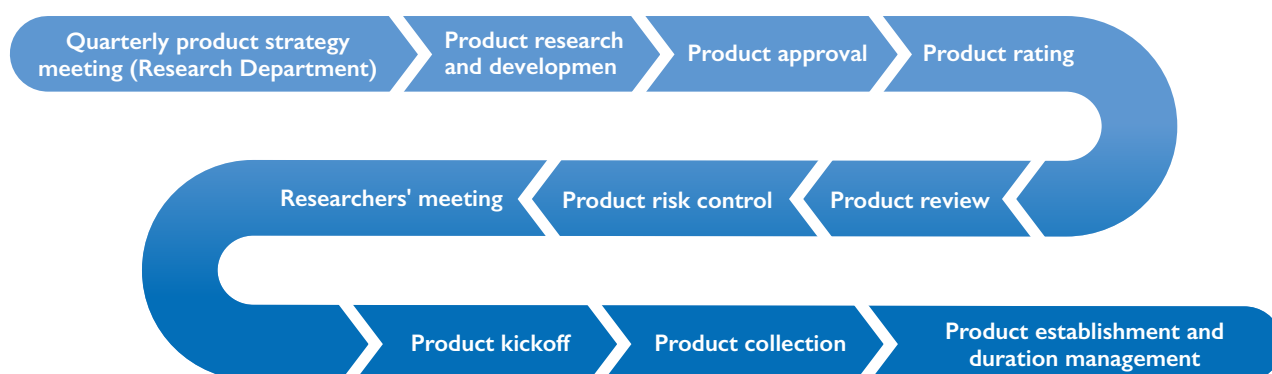


### Noah Enforces Comprehensive Risk Management for Clients

## Noah Product Selection Principles

- 01 Persist in independent thinking, be independent and objective
- 02 Never give up the margin of safety
- 03 Reverse thinking, cross-cycle allocation
- 04 Risk is not just a number, but a permanent loss of capital
- 05 Believe in your own eyes and insist on direct investigation in the field
- 06 Anything that cannot last will die
- 07 Taking understanding underlying assets as a direction for research

## Product Selection Process



## Noah Products and Programs Duration Management Service

1. Professional team	Dedicated staff for a specific job. A professional team is assigned to each category of existing products for post-investment follow-up
2. Management standards	Well established standard process and post-investment management, strict implementation and continuous improvement
3. Periodic reporting	Disclose the latest updates on programs to investors via the Mini Noah App
4. Noah interpretation	Track and analyze existing programs and develop reports containing Noah insights
5. Post-investment management	Dynamically manage important nodes in the operation of investment programs

## Strict Management of Promotional Materials

In order to promote the wholesome development of Noah's fund sales business, we have developed *Measures for Managing Promotional Materials*, in compliance with the *Law on Securities Investment Funds*, *Measures for the Sale of Securities Investment Funds*, *Supplementary Regulations on the Supervision of Securities Investment Funds' Promotional Materials* and other relevant laws and regulations. Production, distribution or publication of promotional materials must comply with the Measures, and materials' contents must be true and accurate, with descriptions of product characteristics in compliance with the relevant legislative and regulatory requirements. The Measures also promotes enhancement of investor education and guidance, aimed at encouraging development of correct investment concepts among Noah clients.

Before a product can be launched, relevant materials must be checked against the *Measures for Managing Promotional Materials* for regulatory compliance. The Compliance Department must check their content and confirm that this does not include any exaggeration, provides explicit risk warnings and notes the source of the data provided. While products are being sold, the match between their risks and clients' risk profiles must be monitored, and investors should be provided with appropriate risk warnings, in order to protect their interests.





## Operation Continuity Management

As a leader in the independent wealth management industry in China, Noah is in possession of multiple business lines including financial management, asset management, global products open platform, and Internet finance, providing more than 100,000 high-net-worth clients with comprehensive financial services including wealth management, overseas asset allocation, and high-end insurance, in order to help clients achieve stable and secure growth of assets. Sustainable availability of business and data is a practical requirement of numerous Noah high-net-worth clients, but also a requirement of Noah itself to achieve sustainable development.

To ensure continuous operation of our system in the event of uncertainties and disasters, Noah started to build the Business Continuity Management (BCM) system in 2016. This was followed by the establishment of the Business Continuity Assurance Department responsible for promoting BCM construction, the establishment of a BCM team that conducts business impact and risk analysis on key business lines company-wide; the release of BCM policies and business continuity plans for critical businesses, covering a general emergency response process of the Group and interruptions in business operation of important systems and workplaces.

Consisting of the Management team, Group Business Continuity Assurance Department, a variety of business departments and IT department, its management scope includes: identifying business continuity requirements for IT services; identifying, evaluating and managing risks and threats to which IT infrastructure and services are exposed, and their potential business impact; and developing, validating and practicing contingency plans.

In 2019, Noah performed a data recovery drill for 6 critical systems including the core business system, which fully verified the availability and effectiveness of disaster recovery data. In addition, Noah also performed 2 disaster migration emergency drills for major workplaces.

### Business Continuity Management Procedure

#### 01 Collect continuity requirements

Collect IT service continuity requirements.

#### 02 Business impact analysis and risk assessment

- Comprehensively identify and analyze risk factors according to the current situation and business priorities, and analyze the probability of risk.
- Assess the impact of changes on IT service continuity.
- Assess the acceptability level of risk based on the scope of risk, the severity of impact, and the probability of risk.
- Determine the recovery time requirements and continuity strategies of each business function.

#### 03 Develop/maintain a continuity plan

Define a system recovery procedure, develop a continuity plan, and submit it for management approval according to business recovery requirements and the interdependence and the degree of dependency between business functions.

#### 04 Continuity drills

- Business Continuity Assurance Department organizes continuity drills on a regular or irregular basis as needed.
- Validate the practicability, suitability and effectiveness of the continuity plan.

#### 05 Drill review

- Review whether the objectives and results of the continuity drill are consistent.
- Check the completion status of each operation process and the progress of various actions.
- Evaluate suitability between drill operations and business requirements.
- Make recommendations for improvement.
- Formulate drill report.

## Information Security



Noah possesses a professional information security team, and, to ensure privacy and security of client data, has issued *Noah Data Security Regulations*, *Noah Information Security Principles and Policies*, *Privacy Policy*, and other documents that contain explicit stipulations regarding the use of varied personal information of clients (such as contact and ID numbers) collected during our business operation, and procedures for acquiring, delivering, archiving and destroying such information. Personal information of clients is treated as confidential data. Access control mechanisms and encryption keys are set up for all information systems containing those information, guaranteeing that the data is not disclosed, manipulated, deleted improperly or made unavailable, to comply with the requirements of the *Cyber Security Law of the People's Republic of China*.

For online service scenarios that access personal information of clients, a number of security protection systems such as web application firewall, network firewall, and host intrusion detection are deployed, and client information is transmitted in an encrypted way, in order to continuously monitor network attacks and provide real-time warnings. The Group Security Operation team quickly deals with network security risks, preventing client information from being disclosed online or used maliciously.

Access to client's personal data by Noah employees is limited to minimal authorization and need-to-know basis. If it is necessary to extract a client's personal data or disclose it to external regulators during daily operation, a written application must be filed, and approvals from the applicant's supervisor, data owner, and Noah Information Security Department must be obtained. All written records of the approval process must be kept for auditing purpose. Employees must sign confidentiality agreements during induction and be continuously trained at their work. Employees are strictly prohibited from disclosing Noah's client information. External consultants, technical support personnel and other non-Noah personnel must sign confidentiality agreements prior to their work, and must not access the personal data of Noah clients.

The Information Security Department conducts special inspections on the protection of client personal data every year. In case of any security protocol breach, punishment will be imposed on the employees involved in accordance with Company policy. In case of any illegal behavior, employees involved will be handed over to the legal department. The Information Security Department has also announced a whistle-blowing phone number, email, and WeChat account. For incidents reported internally and externally that may involve leaks, investigations will be opened. If it is a client privacy leak due to a Noah employee, the problem will be rectified and relevant personnel will be held accountable for. In 2019, there were no client information leakages in Noah.

## Information Security Week 2019

Information Security Week is an information security awareness training facilitated to all Noah employees. In addition to information security education, a series of information security activities will be carried out to reinforce security awareness of all employees.

During Information Security Week 2019, a number of information security awareness and education activities were launched for all employees, including an online information security quiz contest, a phishing email test for all employees, and comprehensive workplace security inspections, in order to enhance and improve employees' information security awareness.

### Program Objective

- Security awareness prize-giving quiz: employees' awareness on preventing phishing emails
- Phishing email test: employees' awareness of how to prevent phishing emails
- Workplace safety inspection: employees' awareness of physical environment safety and daily safety habits

security of  
online activity matters

网络安全  
无小事



人人有责  
维护网络安全



security of  
online activity  
requires everyone's  
attention

## Protection of Clients' Sensitive Information

In the *Sensitive Information Management Specification*, clients' sensitive information is defined. Sensitive information must be encrypted with the Noah Key Management System before it is stored in databases. Clients' sensitive information must be properly masked when it is displayed on front-end screens of systems. Access to client data for back-end operation and maintenance should be made through virtual desktops or fortress machines, and authorization control should be applied to prevent administrators from downloading and distributing client data without permission. Real client data is not allowed to be used in a test environment, instead, home-made data or desensitized data should be used.

In 2019, in order to prevent leaking of sensitive client information, USB ports on all office terminals within the Group were blocked. The risk of client information leakage was reduced as employees were not able to copy such information to thumb-drives or other mobile media. At the same time, the Data Leakage Prevention (DLP) software installed on employees' office terminals monitors employees' operations in real time. If documents containing clients' sensitive information is detected in outgoing mail, network upload or shared file, the system automatically triggers an alarm, and the Business Security Center will assign a special officer for investigation and treatment.

## ISO 27001 Certification

To safeguard internal and client information security, Noah launched an information security management system program in 2018. ISO 27001 certification is a certification for the information security management system, which effectively assures reliability of enterprises in the domain of information security, reduces the risk of corporate data breach, and preserves core data in a more secure way, so that Noah clients and internal data protection measures are more systematic and comprehensive.

ISO 27001 certification is composed of four stages: analysis, implementation, operation, and verification. In 2019, Noah completed analysis, implementation and operation. Through full internal investigation, Noah identified and assessed risks existing within the Company, developed corresponding risk disposal plans, and established security system architecture for the Company. The security system was released and given a test run in the Company.

Noah plans to apply for ISO 27001 certification by a professional certification body in 2020, with the purpose of demonstrating Noah's focus on information security to clients, competitors, suppliers, employees and investors. Noah's regular monitoring and auditing will ensure the organization's information system is constantly monitored and improved. We also submit this as proof that we are improving information security, trust and confidence, allowing clients and stakeholders to see how committed we are to this organization's information security.

### Program Objective

1. Establish a system and obtain certification: Establish a standardized information security management system, and obtain international certification to enhance brand value.
2. Sort out responsibilities and standardize management: Sort out work items, develop a list, and standardize information security work.
3. Clarify objectives and formulate plans: Define information security objectives and establish an overall work framework.
4. Transfer knowledge and improve management level: Improve the management capability of employees, establish an efficient and professional management team, and improve the overall management level of the Company.



## Network Security Attack and Defense Drill

Targeted at important core functions, Attack and Defense Drill (ADD) simulates a variety of network attack and defense scenarios to help participants understand network attacks and practical defense measures, thereby fostering and enhancing the security awareness of our security personnel, improving security skills and protection levels, revealing vulnerabilities in the information system, promoting improvement of the information security management system, and enhancing information security of the Company.

Security ADD enables us to discover deficiencies in security awareness, technical measures, and emergency response and coordination during system security operation and maintenance. As a result, the awareness of integrated information security protection is established, integration of network security and application security as well as collaboration between the information security department and other application system operation and maintenance departments are promoted, and a complete set of network ADD systems from drill planning, organization and implementation, evaluation and conclusion, case study and continuous optimization is gradually developed and improved. Enhance emergency response awareness, further improve emergency response planning for security incidents, and strengthen security emergency response capabilities, so as to be capable of responding rapidly, locating issues precisely, and recovering timely, hence effectively improving the security assurance capability of our information system.

Live action attacks take place in a real production environment, and real target systems are attacked from the perspective of attackers, in order to discover hidden security hazards that are easily overlooked by security personnel. Network security operation and maintenance personnel establish a defense team to monitor attacks and take defensive measures. In the end, system security capabilities, security operation and maintenance capabilities, and security breach monitoring and response capabilities are thoroughly tested through live action attacks.

In 2019, Noah invited an external professional security organization to implement a two-week network security ADD, which effectively identified security vulnerabilities in the information system. All problems found during the ADD were rectified and retested after the drill. In addition, ADD with an external player further improved the defense capabilities and skills of the information security team.



## Suppliers Management

To ensure employee safety and to prevent damage to the environment, Noah has been very demanding in how we select major suppliers for goods and services. Especially in recent years, as our workplaces continue to expand, we have paid special attention to the environmental impact of construction materials and furniture for office remodeling. Apart from selecting suppliers with good qualifications and ratings, we also requested all goods supplied to be environmentally certified. Such requirements were included in procurement requirements, and implemented and controlled at the administrative level.

Since Noah generally procures in bulk, we evaluate suppliers based upon multiple parameters, including suppliers' brand reputation, its environmental awareness, employee human rights, and social influence. Suppliers involved in negative news stories (such as improper treatment of employees or salary arrears) will not be considered by Noah. In case such situations arise during the cooperation process, Noah will delist such unqualified suppliers for contract renewal in the following year.

In view of Noah's long-term development, a supplier management infrastructure has been established and regular basic operations are guaranteed. In terms of investment:

- For the Administration Department, preferential plans for rental, property fee, utility charges, etc., should be negotiated and agreed upon with suppliers.
- For the IT Department, inquiries to multiple suppliers and price comparison should be made for software development and hardware procurement.
- For the Marketing Department, on the premise of ensuring quality and corporate culture, suppliers should be integrated for better prices.

In the future, we will continue cooperating with good and socially responsible suppliers, invite them to embrace Noah's social responsibility concept, collaborate with Noah in social responsibility, environmental protection or related public welfare initiatives, and expand our positive influence on society.

### Noah's Supplier Selection Criteria

Contractor must present proof of qualifications before signing a contract.

Dedicated personnel will be assigned to assure safety measures are properly taken by workers during construction.

Supplier must provide decent after-sales service.

Supplier must have its own manufacturing and processing facilities.

Supplier must possess national environmental certification for their materials (such as Green Guard ISO 9001-1994, and ISO 9001-2000).

Supplier's CSR awareness, principles and practices will be evaluated.







# | INTEGRITY |

Integrity is like the ability of trees to grow straight. Integrity determines how far you will go in your life. It is the most important among all values, because integrity is the first cornerstone in everyone's life. Without a solid foundation, growth in life is out of the question. Without pure morality, the more intelligent and capable one is, the greater harm they may do to society.

- Adhere to the highest code of ethics, behave in line with the Company's Code of Conduct.
- Do not do things that harm the interests of the Company or the country, dare to challenge illegal and improper behavior, and say no to bribery.
- Protect the Company's confidentialities, refuse business transactions that violate principles and values.
- Be honest with oneself, clients and partners, disclose and communicate information completely and sufficiently.
- Mean what you say and deliver in what you do. Say what you think and do what you think.

## Corporate Culture

Life is like a tree. Everyone should grow like a tree does.

Even if we haven't achieved anything yet, as long as we think of ourselves as a seed, even if we are trampled down into the soil, we can draw nutrients in the soil and grow. When we grow into a big tree, people will see us from afar. When they come near us, they will become enveloped in our verdant vitality.

Life is like a tree; we must pursue becoming "useful timber". We must have noble ambitions and pursuits in life, in order to establish clear goals and be motivated and inspired to make that happen.

Life is like a tree; we must be as tenacious and perseverant as a tree is. A tree has to endure countless storms and droughts and survive through nature's ruthless and cruel tests, before it finally grows to its full height, towering above the rest.

We should not be intimidated by sudden storms, and instead, we should be prepared for the storms. We should bear the suffering and setbacks in life bravely as a tree does. Evading in fear simply does not help.

Life is like a tree; we need to be able to feel comfortable alone, instead of pursuing vanity. We should lay a solid foundation first, then reach out into the sky with our efforts. The roots which, though invisible, burrow deeply into the soil, determine how long we can stand and how stable we are. Noah wishes that everyone involved with Noah has the potential to become a towering tree.







## Corporate Culture and Brand Activities



### #1 Annual Party

More than 1,500 employees from all over the world gathered in Shanghai at the 2019 Annual Party. Fighting, competing, inspiring, and shining. Vigorous and energetic Noah employees presented an extraordinary event at this annual event. There were not only wonderful performances, but also interesting sports competitions, fully revealing the energy and enthusiasm of our Noah team. In each competition, we shared persistence, commitment, a win-win spirit, fearlessness, and the reality of change—we constantly reflected on our successes and failures.





## #2 Noah Charity Philharmonic Concert

In 2019, Noguo delivered 3 concerts for adults and 6 concerts for youth, setting a benchmark for a youth orchestra, and attracting a total of more than 1,300 audience members.



## #3 Noah Youth Recruitment and Music Summer Camp

The Noah Youth Philharmonic Orchestra recruited 3 new trainees in the first semester of 2019 and 7 in the second semester. Five out of the seven previous trainees in 2018 stayed at the orchestra. The first Noah Youth Music Training Camp was held. Among the 45 participants, a satisfaction rate of 97.8% was reached, and all parents expressed their willingness to send their children to such a summer camp again.



## #4 Festival Celebration

Noah holds employee events every year during the Lantern Festival, the Spring Festival, Women's Day, Mother's Day, Christmas and Winter Solstice. On festival occasions, the Company extends benefits and care to different groups that need care and attention, thereby enhancing interaction between the Company and employees.

### Noguo Music Training

- In 2019, Noguo delivered 3 concerts for adults, 6 concerts for youth, one 10-day music summer camp and 2 general music courses.
- Obtained 2 professional licenses: Permit for Public Performance and Performance Brokerage License



## Noah Corporate Values

In the corporate development process, Noah identified six core values of corporate culture: client-oriented, embracing changes, professionalism, mental maturity, enthusiasm, and integrity. The core values are beacons that light the way for every Noah employee and guide our behaviors at work. Noah expects to see all Noah employees sharing these same core values. Only in this way can we develop a strong team and go farther together.

In order to more actively embrace future trends, Noah updated its vision, mission and values in early 2019, and carried out a nation-wide "Most Beautiful Workplace" evaluation with the theme of "Flowers of Culture in Blossom." Regions and subsidiaries produced and updated workplace posters and all workplaces in the country actively participated in the evaluation. After a number of reviews, five offices were awarded with the title "Most Beautiful Workplace". Everyone has a responsibility to practice corporate culture.

### Teamwork, the Source of Noah's Sustainable Development

As the Noah organization continues to thrive, the subcultures of respective teams, rooted in the Company's core values, have gradually become increasingly important forces. We are certain that a decent, upstanding team subculture also serves as an important driver of sustainability. Only with all teams fulfilling their specific roles with decency and integrity can Noah's corporate journey reach its ultimate destinations.

## Reading Club—Noah Book Corner

In 2019, the Noah Book Corner Program was launched. More than 500 Noah employees read 6 books on values with a total word count of 1.22 million. More than 50 reading notes were produced after 6 book-reading activities. In addition to the above, Noah employees also practice corporate values at work. Abiding by the code of ethics is taking integrity as the bedrock of one's career; shifting from "relationship manager" to "client spokesperson" means being even more client-oriented; embracing paradigm shifts is the natural out-come of professionalism and active embrace of change; and confronting challenges and taking positive actions demonstrate mental maturity and enthusiasm.





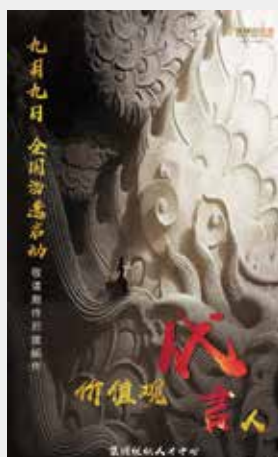
## August 29th Values Day

August 29th is Noah's annual Values Day. The values "Client-oriented, embracing changes, mental maturity, professionalism, enthusiasm, and integrity" have always been rooted in Noah's genes, and are the code of conduct for all Noah people. During Values Day, all employees at the headquarters and the region conducted in-depth study and discussion on Noah's values under the theme of "Safeguarding Trust, Confidence and Responsibility". At the beginning, executives shared a multi-faceted analysis on the Company's status quo and plans for future development. With respect to company values, we expect to see continued improvement. Next, practicing our values from the perspective of community building, professional culture, public welfare, and wolf-warrior team activities was shared, demonstrating that a company with a cultural pedigree can go farther. Then, Jingbo Wang, Chairwoman of Noah Holdings' Board of Directors had a transparent and frank communication with all employees present on continuity and im-plementation of corporate values. At the end of the day, every department and regional subsidiary held group discussion on topics such as the code of conduct of each department and cost saving.



## Noah Values Spokesperson

In 2019, Noah kicked off a weekly value-based story/case study activity, in which we discovered a number of touching and exciting stories. In order to further publicize corporate culture and values, Noah launched the 2019 Noah Values Spokesperson Campaign. After a number of appraisals and votes, 50 outstanding value-based stories were picked and collectively publicized in December 2019.





## Noah's Principles

### #1 Dos and Don'ts

We Dos	We Don'ts
Supervise if risk control measures have been completely implemented	Become involved in investment decision-making (it's the manager's responsibility)
Monitor if progress and returns meet with expectations	Get involved in product allocation operations (it's the responsibility of the entrusted bank)
Verify if the investment strategy is consistent with what has been marketed	Disclose process information that has yet to be disclosed (according to relevant laws and regulations)
Urge managers to disclose information in accordance with legal requirements and contractual agreements	Allow relationship managers to refer clients to institutions or individuals other than subsidiaries of the Group
Intervene actively in cases where early warnings are triggered for programs	Allow relationship managers to collect cash from clients for any investment
Continuously improve suppliers' quality during the survival time of products	Allow relationship managers to provide product brochures that are not reviewed and water-marked by the Company for compliance
	Allow relationship managers to jointly invest in any product with any client

### #2 Commitments and Non-commitments

We make commitments to	We make no commitments to
Continuously select better investment managers and better products for clients	Find the best performing investment products, BUT we make commitments to focus on the long-term performance of investment managers and products
Explore in-depth and continuously follow up on underlying assets linked to each product	Deliver the final return on asset allocation, BUT we make commitments to deliver our service whole-heartedly
Maintain long-term and direct communication and sharing with clients, to allow clients to understand the key considerations in the process of product selection and duration management	

## Anti-Money Laundering and Anti-Fraud



Decency and integrity are the most important cornerstone in the financial service industry. To allow all Noah employees to fully understand and follow it, we have developed and regularly update the Compliance Manual. The Compliance Manual includes explanation of key points relevant to the design of Noah's management system, guidelines concerning commercial corruption, and measures for punishment of violations. In 2012, an online version of the Compliance Manual was released on Noah Home, the Company's intranet, incorporating mandatory reading and study functionality designed to ensure that every employee reads the manual annually, and passes testing on its contents. In addition, the Company has also enhanced dissemination of and testing on the commercial corruption prevention policy. In 2019, there were no incidents of Noah being punished by authorities due to corruption, bribery, and other related violations.

### Anti-Money Laundering

We strongly support China's anti-corruption initiatives by actively implementing the *Anti-Money Laundering Law of the PRC*, the *Anti-Money Laundering Regulations for Financial Institutions*, the *Measures for the Administration on Financial Institution's Reports of Large-sum Transactions and Doubtful Transactions*, the *Measures for the Administration on Customer Identification and Maintenance of Customer Identification Data and Transaction Records by Financial Institutions*, and other laws and regulations. We have carried out the following activities:

1. Set up an anti-money laundering column on our website to popularize relevant anti-money laundering regulations and facilitate anti-money laundering education to clients.
2. Establish an anti-money laundering system, and clarify client's identification through interviewing or the information submitted when clients open an account with us.
3. Make sure client's transactional fund is paid through his/her own account.
4. Store clients' identity details and transaction records properly.
5. Actively cooperate with financial regulators and relevant authorities in the investigation of doubtful transactions.

To prevent money laundering and financing for terrorism, Noah has standardized supervision and management for anti-money laundering and anti-financing for terrorism. We practically fulfill our obligations in fighting against money laundering and financing for terrorism by preventing Noah products and channels from being used for such purposes. As new types of corruption and money laundering behavior continue to emerge in the market, we will continue to optimize our work and improve anti-money laundering capabilities, contributing to the implementation of our national policies.

## Anti-Fraud

We actively advocate a corporate culture of decency and integrity, strictly and persistently abiding by the laws, regulations and regulatory requirements governing public companies, and constantly bearing in mind that reputation and integrity comprise our most valuable assets. During operation, we:

- Strengthen audit supervision organization and system construction and carry out anti-corruption education, thereby laying a solid foundation for anti-corruption and anti-bribery.
- Established the Audit Department to strengthen internal supervision. The department reports to senior management and the Auditing Committee.
- Established the Internal Management Department to promote systematic and lean management, preventing risks in institutional processes.
- Establish system protocols such as code of conduct, code of ethics, rules for anti-corruption management, and complaint and whistle-blowing mechanisms.
- Strongly implement supervisory functions and strict accountability, learn from exemplary cases, be cautious and respectful.
- Deploy audits in high-risk areas, and plot risk maps based on client's interests, shareholder's interests, and values.
- Positively respond to complaints and whistle-blowing, give equal treatment to all, and properly protect whistleblowers.
- Hold people accountable based on audit conclusions and communicate rewards and punishments, playing the role of correcting and preventing misconduct.

In 2019, the Group dealt with improper expense reimbursement based on the above mechanism and announced all final results. This was a good lesson and a strong warning for all. Other cases under investigation are being treated in strict accordance with the Company's governance mechanism.





### Anti-Bribery Training Mechanism

To provide clients with the most reassuring service, we value the code of ethics of our wealth managers and other employees. In 2015, we established the Provisions of Anti-Bribery template and mandated it to be included in all contracts. In addition, we will continue to improve mechanisms for commercial corruption prevention training, hire attorneys to facilitate such training to all employees, and upload training videos to the Noah University platform. All employees must attend this course and pass online examination on commercial corruption prevention.

#### Customer Complaint Through

**Whistle-blowers may report anonymously or non-anonymously, face-to-face or by mail or email.**

Whistle-blowers may report anonymously or non-anonymously, face-to-face or by mail or email.

- Email: tousu@noahwm.com
- Mail: Building 2, Chang Yang Valley, No. 1687 Changyang Road, Yangpu District, Shanghai, att: Audit Department, Noah Holdings
- Zip code: 200090
- Att: Audit Department, Noah Holdings

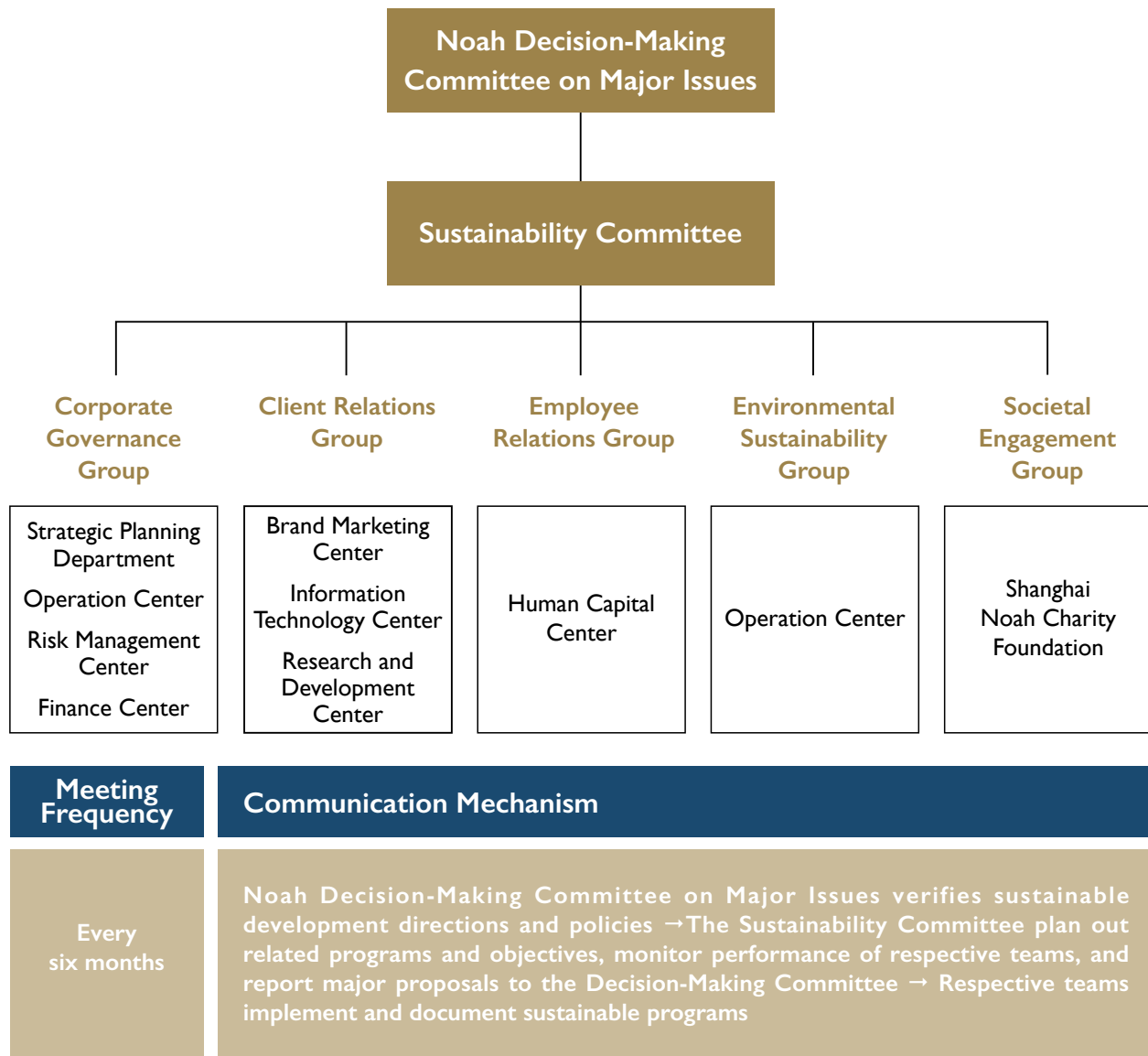




# SUSTAINABLE DEVELOPMENT MANAGEMENT



## Noah Sustainability Committee





## Sustainability Policies

Noah is one of the first companies to offer family wealth management. The biggest difference between Noah and other financial institutions lies in the fact that, from the start, we not only focus on value preservation and appreciation of material wealth, but also believe that imparting and inheriting spiritual wealth is far more important than material wealth. Therefore, we help our clients promote a culture and spirit of family and assist in family governance.

The most important legacy an entrepreneur leaves to his or her offspring, or the society, is not the money, but the spirit and culture. With constant innovation and service values, Noah offers its high-net-worth clients with a sense of wealth management security. Noah adheres to the core values and social responsibility concept, and makes contributions to the realization of social sustainable development of the society by using core capabilities and expertise.

Policy

1

**We do our utmost to incorporate environmental, societal and governance-related (ESG) concerns into our decision-making.**

- **ESG Risk Management**

- Establish mechanisms among the Board and the executive management to periodically assess and manage operation-related ESG issues.
- Incorporate ESG issues into recruitment, training and employee engagement plans.
- Establish procedures capable of identifying and assessing ESG risks for products and services.
- Incorporate ESG issues into risk management procedures.

- **Products and Services**

- Strive to mitigate ESG risks in product development and service delivery.
- We promote, develop and support products and services that integrate ESG concepts.

- **Marketing Strategies**

- Facilitate product- and service-related ESG trainings to employees and marketing personnel.
- Describe product and service coverage in a transparent and distinct manner to ensure the transparency of marketing data.
- Try to incorporate ESG assessments and principles (such as the Principles for Responsible Investing) into investment decision-making.

Policy

2

**We cooperate with clients and business partners to raise their ESG awareness, enabling them to identify risks and develop solutions.**

- Improve clients and business partners' understanding of ESG issues and help them with their expectations and demands in these topics.
- We offer information and tools for our clients and suppliers, and help them manage ESG-related problems.
- We encourage our clients and suppliers to report their ESG problems using relevant disclosure or reporting framework.

Policy

3

**We regularly display and disclose information on ESG topics, and improve transparency.**

- We evaluate, measure and control the progress of ESG promotion, and regularly actively disclose relevant information.
- We maintain dialogue with other stakeholders, communicate and understand each other through the principles of honesty, transparency and mutual trust.

## Material Topics Topics and Boundaries

Noah's Sustainability Report was developed in accordance with the GRI Core Option, focusing on disclosing critical and Material topics. To determine material topics to be disclosed, we held internal meetings and collected views from all stakeholders. Following a process that included identification, prioritization, validation, and review, we determined the critical sustainability topics to be disclosed in the annual sustainability report, and made corresponding disclosures in the sustainability report.

### Procedure for Identifying Material Topics

Preparations for identification



Source of  
information

Wealth management industry data, GRI advice, additional GRI guidance for the financial industry, and concerns of international counterparts



Identification  
criteria

Professional views of different functions, views of stakeholders, impact on Noah's sustainable growth

### Boundaries of Topic



Governance

Economic performance

✓

✓

✓

Market presence

✓

✓

Anti-corruption

✓

✓

✓

Anti-competitive behavior

✓

✓

✓



Environment

Energy

✓

Water

✓

✓



Society

Employment

✓

Training and education

✓

Diversity  
and equal opportunity

✓

Customer privacy

✓

✓

✓

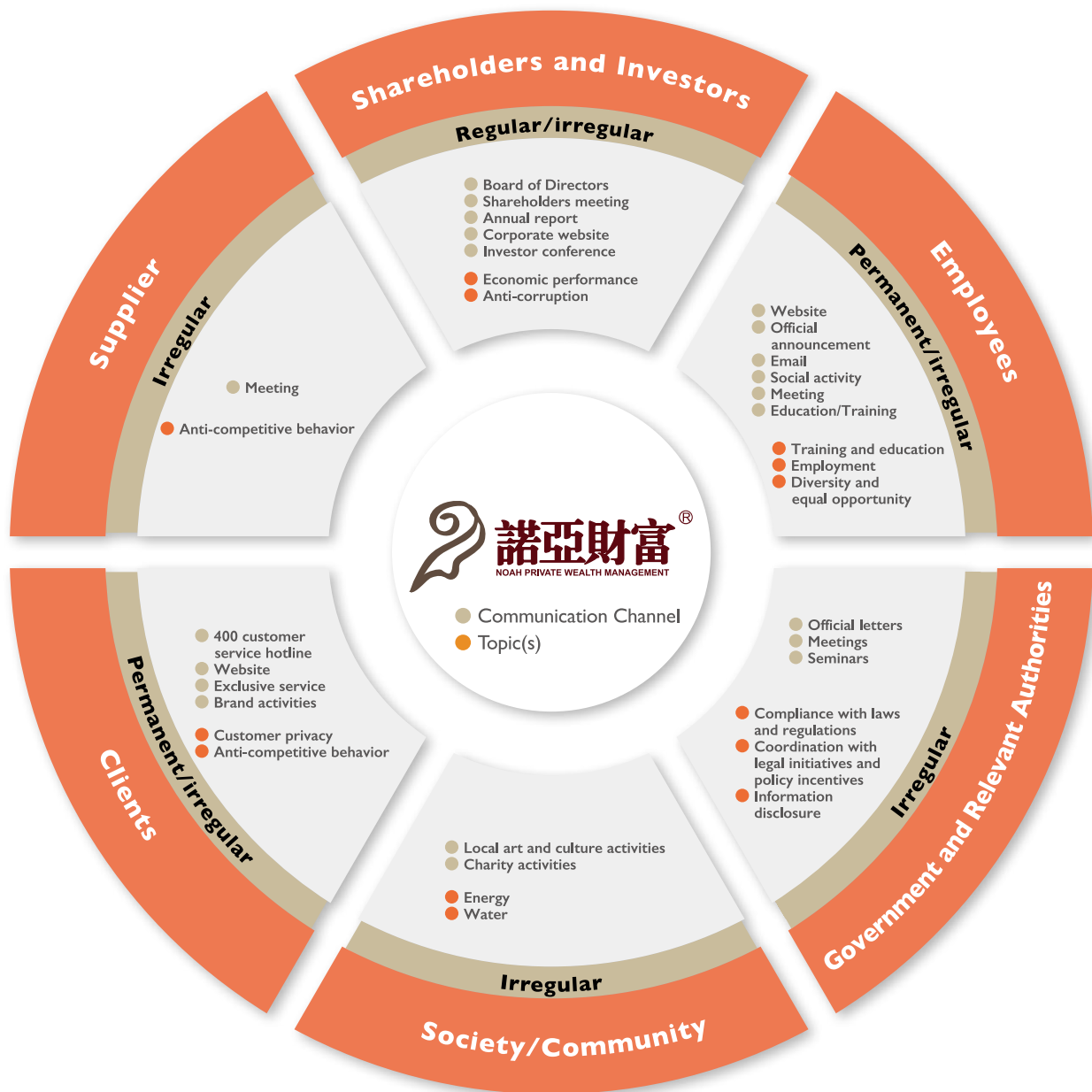
## Material Topics Matrix

After we have identified the most influential ESG topics and their influence on the boundary of the organization, we hold internal meetings to discuss and determine a matrix of material topics for this year.

Influence on the evaluation and decision-making of stakeholders	High	<ul style="list-style-type: none"> <li>● Market presence</li> <li>● Training and education</li> </ul>	<ul style="list-style-type: none"> <li>● Customer privacy</li> <li>● Economic performance</li> </ul>
		<ul style="list-style-type: none"> <li>● Energy</li> <li>● Water</li> </ul>	<ul style="list-style-type: none"> <li>● Diversity and equal opportunity</li> <li>● Anti-corruption</li> <li>● Anti-competitive behavior</li> </ul>
	Low		
		Importance of economic, environmental, and social influence	
		Low	High

## Stakeholders Engagement

We communicate with stakeholders through different interfaces and channels to understand their expectations and needs. We also carefully collect and evaluate their feedbacks and use them as a reference for drafting our sustainability policies and promoting our action plans. In addition, we also established a special department to appropriately communicate with and respond to key stakeholders regarding their most pressing concerns.



## Responsible Investing

In view of increasingly severe environmental pollution, climate risks, energy supply and demand and other ecological crises, as well as social and economic issues, and in order to fulfill our role in corporate social responsibility and achieve sustainable operations, Noah has especially incorporated social responsibility into investment policy as one of the basic criteria for selecting an investment target.

Noah is expected to complete the application and be a signatory of the Principles for Responsible Investment (PRI) in 2020. To promote joining the PRI, we proactively developed a *Noah Responsible Investment Statement* along with other related implementation actions, and look forward to promoting clients, shareholders, and other stakeholders through responsible investing. In our investment process, we practice PRI and take Environmental, Social and Governance (ESG) investment philosophy into consideration.

In response to the PRI, we make commitments to follow the six principles of responsible investment in the future and continue to strengthen sustainable development and responsible investing. By improving the ESG indicator system, implementing ESG investment opportunities, and selecting relationship managers and fund managers as per the ESG standards, we will deepen our understanding and practice of ESG, and enhance the long-term benefits of sustainable development. In addition, we will, through the Enoch Education—Investor Education and Noah Charity Foundation, support social development, poverty alleviation, environmental protection and the requirements of the supervision committee, thereby fulfilling Noah's social responsibility, and promoting the sustainable development of the environment, society and governance.

### Six Responsible Investing Principles

1. Incorporate ESG issues into investment analysis and decision-making processes.
2. Be active owners and incorporate ESG issues into ownership policies and practices.
3. Seek appropriate disclosure on ESG issues by the entities in which we invest.
4. Promote acceptance and implementation of responsible investing principles within the investment industry.
5. Work together to enhance effectiveness in implementing responsible investing principles.
6. Provide reports summarizing recent activities and progress with regard to implementing the principles of responsible investing.

\* UN Principles for Responsible Investment: <https://www.unpri.org/>

### Noah Assumes the Role of China ESG30 Forum Executive Council Member and Launches Responsibility Initiatives

The 10th Caixin Summit—Opening Up: China and the World was held in Beijing. The Summit attracted political, business, and academic elites from all over the world as well as thousands of participants. Noah Holdings was invited to the event as a representative of the wealth management and asset management industry, and was represented by Chia-Yue Chang, founding investor of Noah Holdings Group and General Manager of Noah Upright.

Apart from the Summit, the event organizer also announced the establishment of the Caixin China ESG30 Forum. Chia-Yue Chang was invited to the stage to assume the role of China ESG30 Forum executive council member on behalf of Noah. Chang said, "As a financial service institution, a major number of our clients come from the domestic market. However, since we went public in 2010, according to our own observation, ESG education in the investment market in recent years is still lacking. At Noah, our first priority is to do our best. We also specifically propose that, Caixin China ESG30 Forum should lead the industry and investors to focus on ESG, just like the Wall Street institutions. Only by making every effort to develop Chinese accounting principles, will the problems raised during the ESG Annual Meeting be solved, such as measurements and information standards for China ESG investment."



### Noah Was Invited to the Greenwich Economic Forum

The 2019 Greenwich Economic Forum was held in Greenwich, a small town in Connecticut. The Forum was attended by hundreds of globally renowned investors, including Ray Dalio (founder of Bridgewater), David Rubenstein (founder of Carlyle), Afsaneh Beschloss (founder of RockCreek), and Paul Tudor Jones (founder of Tudor Investment). It was estimated that these top investors represent a total asset value of USD 18 trillion.

William Ma, CEO of Mangrove and Chief Investment Officer of Gopher Asset Management, an asset management subsidiary wholly owned by Noah Holdings, was invited to the Greenwich Economic Forum. Ma shared China investment opportunities and the current state of responsible investing with global investment institutions at the forum, and received a highly enthusiastic response.



### William Ma, CEO of Gopher Mangrove Was Appointed SBAI Asia Pacific Committee Member

The Asia Pacific Committee of SBAI, the former Hedge Fund Standards Board, was set up in 2016 to help the SBAI spearhead a more dedicated effort in the region: assisting with the SBAI's dialogue and relationships with regulators, alternative investment managers and investors, and ensuring that Asia-Pacific regional and local issues and needs are addressed as the SBAI develops standards and guidance.



At present, the SBAI is a global organization setting standards for alternative investments, and plays the role of standards trustee. It provides a powerful mechanism to establish a transparent, complete and well-governed framework, thereby improving how the industry operates, encouraging investors to conduct their own due diligence, and complementing public policy.

The Chairman of the SBAI APAC Committee, Ted Lee of the Canada Pension Plan Investment Board (CPPIB) welcomed William to the Committee with delight and expressed that William's wealth of experience and knowledge in the industry would benefit the Committee as well as the SBAI's mission in the APAC region.

William remarked that as wealth management and asset management institutions are continually committed to serving clients by the highest international standard, Noah Holdings and Gopher Asset welcomed the efforts the SBAI made in setting global industry standards and helping investors' due-diligence. Meanwhile, Noah would take this as a brand-new start for fund operation, and create long-term and carried interest for investors in the future.



# EMBRACING CHANGES

We wish to nurture our core values of embracing change and hope to incorporate this mindset into the lives of all Noah employees. We hope that this philosophy can serve as a kind of spiritual inspiration. To maintain the momentum of continuous innovation, Noah undertakes the following initiatives in our process, continuously delivering all-around services to clients and satisfying clients' requirements:

- Encourage employees to put forward new approaches and innovative solutions to problems.
- Build an innovative work environment and mechanism and reward innovative approaches and solutions.
- Listen and respect, have an open mind to different opinions.
- Accept errors and mistakes, and welcome doubts and different opinions raised by employees on standard methods.
- Dare to challenge authority, be good at pushing paradigms, and do not give up easily.
- Encourage an inclusive and open team culture.

At the core of an embrace of change, there should be fully devoted endeavors and meticulous attention to clients' needs. Meanwhile, there should also be a sense of calling for the entire company to live up to the maxim "Noah must be different, Noah must deliver an experience beyond client expectations."

Noah has always been proud of continuously embracing change. In the past ten years, Noah introduced more than ten industry-first financial products. These products are like Noah's footprints along the road of continuous change. With relentless efforts

and innovations every year, Noah has also been attracting more and more clients. At every annual party, we see more and more diamond clients. They are witnesses and supporters of Noah's continuous innovation.

Financial commodity innovation is focused on certain frontier areas on the basis of open-minded and wide coverage. We innovate product structure design technology, refine operations in segmented sectors, and expand sector scale, thereby improving Noah's risk identification and risk management capabilities, acquiring more quality assets, and achieving the ultimate goal of providing clients with products with better risk-return ratios.

In terms of asset securitization, for example, we have seized upon the opportunities made available by the great developments underway in asset securitization, look for quality assets such as bank loans, auto finance, and financial leasing, flexibly leverage public placement and private placement to facilitate structural innovation, and provide products with low risk and adequate return to the market. In terms of supply chain financing, thanks to mature software management and risk analysis technologies and the comprehensive management of logistics, information flow and capital flow, we are able to deliver innovative supply chain financing products.



### **Whom does Noah cooperate with in product development?**

Noah works with a wide variety of partners. In terms of underlying assets, Noah works with leading enterprises and public companies in different industries in China, to banks, securities companies, insurance companies, fund companies, trust companies, asset management companies and other financial institutions.

### **What value do Noah products create for clients and the society?**

Noah's key value lies in our ability to keep product risks under control and maintain high performance, providing clients with more investment choices through continuous development in segmented sectors and products, as well as supplying products in certain scale.

## Leading Industrial Transformation

It is continuous product innovation that supports Noah's development and gains us recognition from clients and the society. At present, Noah's asset allocation categories include secondary markets, real estate funds, private equity investment, overseas asset allocation, insurance brokerage, etc., covering more than 100 products.

In 2019, Noah Product Center (NPC) continued improving investment banking and investment capabilities to provide quality products. NPC established a filtering mechanism to locate PE and secondary market managers with leading performance in the market through detailed due diligence, and cooperated with them to release products. NPC shortlisted outstanding real estate projects in the market and cooperated with developers to release products. In 2019, Noah started to focus on releasing public placement products managed under segregated accounts. Noah adhered to the principles for value investment, selected high-performance public fund management institutions in the market that have long-term investment concepts and are equipped with a well-established investment research team and a systematic investment framework, and cooperated with them in releasing public placement products managed under segregated accounts.

At the same time, Noah built a professional technology platform to dock the respective process of collection, investment, management and exit to serve our clients better.

### Empowering 2020 Objectives and Breakthroughs with Technology

- Implement a middle-end strategy to lay a solid foundation of for the technological middle-end.
- Integrate scientific and technological competence to foster public placement investment and advisory capabilities.
- Build a technology-based operation system to complement the technology-based operation mechanism.

Innovations in the fund investment domain	Noah has highly integrated quality resources and investment opportunities that have been identified by Noah Holdings and Gopher Asset in China in the pan-financial sector. Noah and Gopher are currently collaborating with more than 80 general partnerships and 3,600+ start-up companies, providing important support to emerging industries.
Innovations in fund investment strategy	Five dimensions of investment: financial innovation/product coordination/client service-oriented/value investment/Internet and technological influences

#### Equity pledge trust of corporate shares

- Art investment fund
- Pledge trust plan for restricted shares
- Private equity fund in RMB managed by foreign general partner
- Real estate fund managed by professional developer
  - FoF of private equity fund parent
  - Fixed return FoF
- Segregated account for high dividend stocks
- Segregated account for strengthened bonds
- Flagship real estate developers fund

#### Asset Securitization Asset Management Plan

- Film and television funds with market operation at a sale of above RMB 1 billion
- Top 30 selected private equity portfolio funds
- Global M&A FoF
- Core value-adding fund at a scale of RMB 3 billion for office buildings in Beijing and Shanghai
- Private equity secondary M&A and transfer fund (S fund)
- Private equity FoF in USD
- Quantitative investment FoF
- Financial ecology fund

**Our innovation moves with the times and we lead industrial financial transformation and product innovation**



### Mini Noah App: quality products, private stewardship

In 2019, the Noah technology team successively completed the launch of Fund Smile, online sales support for standard bonds through public placement and private placement, and Noah Upright's official website, which supports institutional clients and enabled the Company's transformation from non-standard business to standard business. Meanwhile, they expanded support for overseas projects, built standards for overseas product distribution and sufficient isolation between information and authorization, and developed overseas information automatic collection capabilities through the continuous iteration of ICRM, ICBS, and the Global App. Noah set up a joint project team for the Gopher direct distribution system to assist business development.



In terms of service efficiency, with the brand new intelligent client service system, our online Q&A diverted 29% of client inquiries; the conference system enabled smart meeting sign-ins, digitalized sign-in data, and served 45,000 sign-in clients throughout the year. The Content Think Tank Platform gathered all information generated by the Group, content management and channel distribution, and supported graphics, audio/video, road show live streaming, and courses. The Noah University applet went online and recorded a cumulative online learning length of 160,000 hours.

By introducing facial recognition, voice synthesis and other AI technologies, the technology team independently developed a dual-recording system, which greatly improved the efficiency of clients' independent video/audio recording, and ensured quality of service via point-to-point video. Meanwhile, the team optimized client risk testing logic, integrated anti-money laundering functions, and reengineered sales suitability for compliance purposes, serving a total of 39,908 members in 2019.

#### New Features of Mini Noah

- ❖ Restructured overall public placement to dock the brand new big middle-end
- ❖ Added one-click authentication function to the certification center
- ❖ Enabled fast payment with bank cards
- ❖ Added asset management products to support clients' asset management product transactions
- ❖ Launched Mini Noah applet
- ❖ Supported project manager's project roadshow via live streaming, supported sharing of graphic/text screenshots
- ❖ Upgraded the user registration process, integrated a series of steps including registration, real name verification, card correlation, and risk testing
- ❖ Added point-to-point video as a dual-recording compensation process to save dual-recording images
- ❖ Optimized the redemption experience for standard bond products, capable of controlling redeemable shares according to the rolling period
- ❖ Grading: Ivory, Gold, Platinum, Diamond, Black, 5 grades in total







## Fund Smile

In 2014, Caifupad, which features "technology-driven financial e-commerce focusing on products in secondary markets" was launched. It is a quality wealth management platform built by Noah for high-potential individuals such as white-collar workers and the middle-class. Inheriting Noah's 13-year brand legacy, Caifupad cherishes the trust of clients, and insists on establishing partnerships with first-class counterparts. Relying on Noah's strong capability, Caifupad demonstrated an obvious advantage over peers in product supply, risk control, and duration management.

In June 2019, Caifupad was officially renamed Fund Smile, dedicated to providing clients with better products and services. After data analysis and field research, the Noah research team shortlisted 20 funds with long-term investment value for users to choose from. With the launch of the Fund Smile App, as of Q3, public placement amount increased by RMB 9.56 billion.



## Innovative Featured Products in 2019

### Product name:

Smart Xiaonuo—Robot Relationship Manager

### Aimed at:

Relationship managers and employees of Noah

### Innovative features:

Developed with BERT (the latest natural language processing technology); round-the-clock response based on corporate WeChat; provide Q&A on OA processes, operating instructions, and company regulations and policies; provide relationship managers with up-to-date product material packages, material package watermarks, and Q&A on basic elements of products. Significantly improves internal service efficiency and enables simultaneous acquisition of different information.



## Green Finance

According to FTSE Russel, China is exposed to the third largest risk in terms of "Green Economy" – only the United States and Japan have greater associated risk. A Green Economy, in short, is an economy featuring low carbon, resource efficiency, and social inclusion.

In 2016, the People's Bank of China and six other government authorities jointly released the *Guidelines on Building a Green Finance System*. Green Finance refers to financial services provided to support economic activities that improve the environment, mitigate climate change, and increase resource utilization. The Green Finance System includes green credit, green bonds, green stock indexes and other financial instruments and related products. In 2017, the People's Bank of China and the China Securities Regulatory Commission jointly released the *Instructions on Evaluation and Certification of Green Bonds*, which further promoted Green Finance.

Noah believes that this apparent trend is related to global warming, climate change, social change, and other issues. Due to shared concerns over the Green Economy, Noah has joined hands with China Securities Index Co., Ltd. to formulate the China Low Carbon Index (CLCI). CLCI is not only the first index in the world that reflects the development of low carbon industries in China and the level of securitization, but also the first index including cross-border Chinese concept stocks. CLCI focuses on improving the image of China's low carbon companies and promoting the long-term development of domestic and overseas low carbon industries, displaying to investors the development status of China's low carbon industries.





# | CLIENT-ORIENTED |

- Take the initiative to seek suggestions from clients and satisfy clients' demand.
- Do not be sales performance oriented. Put client's interests first, provide clients with asset allocation services based on their needs, and review on a regular basis.
- Understand clients' expectations, respond to clients' questions promptly and effectively, protect clients' right to know, and keep clients sufficiently and timely informed.
- Establish and maintain long-term and solid relationships with clients, and safeguard clients' interests. Pay proactive attention to clients' needs other than wealth.
- Respond to changes and uncertainties in the investment industry calmly, and help clients cope with greed and fear.
- Care about clients' mental and physical well-being, care about the source of their happiness, and pursue fulfillment in life and family.



## Be Dedicated, Share Expertise

Committed to dedicated service, Noah seeks to maintain long-term relationships with clients based on mutual trust. We make great efforts to satisfy client requirements and to show the utmost consideration, offering highly customized third-party financial services backed by years of accumulated experience. The wealth management industry's core services are the management and transmission of wealth. Thus Noah is dedicated to providing clients with four core services: helping clients develop a good wealth-consciousness; assisting them to manage their lifestyle and wealth risks; providing customized asset allocation solutions and offering value-added services.

We focus closely on the core needs of clients and look forward to bringing the unique and non-replicable "client value" of Noah to our clients, providing them with all-around Care services. In addition to concerning ourselves with clients' wealth management and inheritance, we pay more attention to the source of clients' happiness, and we wish our clients to have a dignified, wealthy, and healthy life, and be spiritually contented and happy.



### We offer a range of innovative and professional services to address the in-depth needs of clients

1. In response to financial liquidity needs, we offer Noah Financial Express E-Currency Package for short-term financing services.
2. In response to the "at middle age" status of high-net-worth clients, we offer high-end medical insurance service through Glory Insurance to address their rigid needs for healthcare and medical treatment at this life stage.
3. In response to the in-depth demands of entrepreneurs for more understanding of the outside world and more learning opportunities, we have set up Enoch Education to provide premium study tours and courses on family wealth inheritance.

### Noah Client Relations

1. We shorten supply chains in the traditional financial industry, and develop end-to-end product supply capabilities, so that clients can directly obtain quality products in the market at low cost.
2. We insist on low-cost operation and turn cost savings into value to be offered to clients. Our fixed-return products have in general lower risk and slightly higher yield than other similar products in the market.
3. Through systematic and meticulous economic and industrial research, we identify the best partners to offer more innovative products and rare investment opportunities to our clients.

## Client First

Noah believes that investment is a specialized profession, and wealth management is like a global optimal strategy. From a long-term perspective, our purpose is to create a better life for our clients and improve their living quality.

Noah Client Care places a premium on dedication, concentration, and professionalism, and focuses on addressing clients' core needs. To provide tailor-made services to clients and find the most suitable financial products for them, we rely on our powerful product selection capability and our research team. They need to understand clients and be capable of identifying quality financial products. We communicate sincerely from the client's perspective. Instead of overwhelming clients with products, we communicate and discuss with them the best solution in light of industry growth and the unique needs of clients. We need to speak for Noah.

We believe that, with comprehensive thinking, we can focus more on the correctness of our objectives and directions, thereby reducing client's focus on short-term fluctuations. We focus on service enhancement rather than marketing, allocation, or sales mode. We request a specific information disclosure plan for each product, so as to prevent clients from making bad investment decisions due to non-transparent product information or improper understanding.

## Noah Asset Management Strategy Finds a Balance Between Risk and Return





## Service First

Noah believes the core of wealth management is the process of communicating ideas, imparting knowledge to investors, and offering properly allocated investment products. Apart from our core business in wealth management and asset management, Noah is committed to building an all-around ecosystem to address the needs of high-net-worth clients. From education, insurance, on-line wealth management to personal cultivation through charity, we continue to learn and build a warm wealth management company whole-heartedly.

As a consequence, our service priorities lie in communicating with and explaining to our clients, so they establish comprehensive and realistic wealth-consciousness, develop wealth inheritance plans, and allow themselves and their families to make steady long-term profits in diverse market environment. At Noah, we always focus on clients' needs, deeply understand clients, and build long-term and trusting relationship. If possible, we may even "fall deeply in love" with clients. We expect clients to be not only clients, but also become our "followers" and long term partners. To this end, we expect to see everyone at Noah taking the following key service initiatives:

1. Take the initiative to seek suggestions from clients and satisfy clients' demand.
2. Do not be sales performance orientated. Put client's interests first, provide clients with asset allocation service based on their demand, and review on regular basis.
3. Understand clients' expectations, respond to clients' questions promptly and effectively, protect clients' right to know, and keep clients sufficiently and timely informed.
4. Establish and maintain long-term and solid relationships with clients, and safeguard clients' interests. Pay proactive attention to clients' needs other than wealth.
5. Respond to changes and uncertainties in the investment industry calmly, and help clients cope with greed and fear.
6. Care about clients' mental and physical well-being, care about the source of their happiness, and pursue fulfillment in life and family.



## Professional Independent Wealth Management Service

Noah has always been committed to providing high-net-worth clients with objective and neutral wealth management proposals. We abide by the principles of dedicated services, and maintain long-term relationships with clients based on mutual trust. We maximize fulfillment of clients' needs, and care for clients. We provide clients with highly personalized independent wealth management service. And we leverage our experiences to serve our clients, providing them with a private, stable, relaxed and elegant wealth management environment.

### How to make an appointment with a Noah relationship manager

1. Get to know Noah
2. One-on-one interview with a Financial Advisor
3. Select your exclusive Financial Advisor
4. Enjoy a private, stable, relaxed and elegant wealth management service provided by your exclusive Financial Advisor



## Complaints Mechanism

In order to understand clients' assessment of our products and services, Noah provides a variety of complaint channels, enabling clients to communicate or complain via written letter, e-mail, or telephone. In addition to properly handling complaints and reviewing relevant situations, we are continually undertaking corrective and preventive measures via upgrading our professional training and service courtesy education, in order to further improve service quality.

In case of any concern, clients can first speak to their dedicated relationship manager, or submit any complaint via the customer service email given on the official website, or via the customer service hotline (400-820-0025). Mobile users can also submit complaints via the Noah App. Noah has assigned dedicated personnel to follow internal SOPs regarding due diligence and feedback for handling complaints. If any inappropriate behavior or incident is discovered, staff involved will be punished in due course.

## Customer Satisfaction Management

Noah conducts customer satisfaction surveys in order to collect client opinions, and seek opportunities for improvement. Companies in direct contact with clients are the focus of these surveys, during which clients rate the quality of their wealth managers' services and of products and services. In the event of any client complaint, customer service staff will first clarify what the issues are, and then decide whether to transfer the complaint to the product department or business resource department. If complaints involve violation of protocols, it will be forwarded to the compliance department for further investigation.

### Voice of Noah Communication Training

The Voice of Noah project aimed to establish a communication bridge between the Company and clients, so that clients understand the Company's transformation strategy the first time and reasonable feedback.

The project adopted an approach of "practicing and training in combination". Twenty-four Communication Ambassadors were selected after collective training and evaluation, and they were divided into 13 groups and sent to different regions for face-to-face communication with clients. Afterwards, they reviewed methodology and summarized client cases and project experience. By the end of 2019, Voice of Noah communicated with 323 groups of clients for a total duration of 139 days.



## Professional Security Training

To ensure every Noah visitor is treated with respect, we enforce strict requirements to all security staff. In addition to cooperating with certified professional security service providers with foreign investment, we prefer to hire those with a military background and clean criminal record. We request security service providers to provide professional trainings including intelligence security, manners and etiquette, and we do not tolerate any behavior that conflicts with laws. Moreover, we have surveillance devices installed at the main passages and locations, and request security officers in the surveillance center to be certified as fire safety administrators.

## Enoch Education

Enoch Education was established in 2014, originating from Noah's 10+ years of experience as a learning organization. Oriented around the theme of Wealth and Life, Enoch has developed a range of high-end courses for horizon widening, cross-boundary innovation, network enhancement, family protection, and mental and physical nurturing, to create a noble, wealthy, and happy life and realize harmonious coordination of tangible and intangible wealth.



As of 2019, Enoch Education has accompanied about 12,000 entrepreneurs on global study tours in nearly 20 countries around the world, visiting the world's top universities and companies, and meeting with industrial gurus. Our partners include Duke Kunshan University and Hong Kong University in China, Tel Aviv University in Israel, University of Pennsylvania, Yale University, Duke University, Stanford University, the Wharton School, and Harvard University in the United States, and National University of Singapore.

### Our Service

Enoch Education is an important instrument to improve comprehensive service capabilities. It helps our clients to better realize wealth appreciation, physical and mental nourishment, and family happiness. Enoch has established a course system covering three dimensions: tangible wealth (wealth management, business management, etc.), intangible wealth (spiritual growth, liberal/art/culture, etc.), and parent-child education (study abroad planning, winter and summer camps for juveniles, etc.), to help individuals, families, and society as a whole to learn and grow continuously. Ratings on all our open courses were collected from participants. At present, the average satisfaction of single courses scored above 9 on a scale of 10. More than 100 clients actively spoke for the courses and their testimonies were captured in the *Enoch Education Client Testimonial Manual*.



### Strategy System

#### #1 Core Business

#### Strategy System (Products)—Core Business

**Domestic/Overseas**  
Improve skills, mature mentally,  
broaden horizons, and establish networks

**Tangible wealth**  
Professional knowledge,  
practical cases

Open market / PE real estate /  
Asset preservation and appreciation workshop

**Wealth  
School**

**Intangible wealth**  
Spiritual growth,  
cultural erudition

Explore Chinese civilization and culture  
(Shanxi/Dunhuang/Taiwan)

**Enoch  
Power Series**

**Parent-child growth**  
Fostering the next generation,  
and growing for life

Youth Power /  
Business Experience Camp /  
Dr. Huang's University Trip

**Study abroad application,  
life planning**

## #2 Emerging business

### Strategy System (Products)—Emerging Business

#### Structure of High-Net-Worth Wealth Management

##### Dale Carnegie Training Dale Carnegie Strategic Cooperation

- Founded in 1912, Dale Carnegie Training® is a world-renowned brand of individual and corporate competence training. It has set up more than 200 branches in more than 80 countries, and cooperates with 3,000 qualified trainers.
- Combining offline and online training, and supporting both 2B and 2C clients, it offers core courses including leadership, public speaking, customer service, interpersonal relationships, and organizational development.
- Its goal is to help people around the world be more successful and happier, which is fully in line with the values of Enoch and Noah. We are exploring a suitable mode for cooperation. Once determined, it will greatly benefit Enoch's customized business in 2020.



##### Huawei High-Performance Organization Workshop

- Empower our teams, establish a high-performance organization, a new type of training that is practice-based, training and practice combined, and business-driven.
- Enoch plans to set up an expert team for "Course + Diagnosis + Practice", represented by Mr. Yao, the former president of Huawei University, to provide experiential lectures on topics of interest to entrepreneurs, such as corporate strategy, transformation, and high-performance organization.
- Huawei course, Enoch will combine its featured courses including the Private Board, Power of Happiness, and Dale Carnegie's signature leadership course, making it a training system that combines soft and hard as well as eastern and western approaches.

#### Satisfaction Rate

	Year	Domestic courses (including multiple modules)	Overseas courses	Custom made
Session	2019	41	10	55
	2018	56	28	17
Rating (on a scale of 10)	2019	9.42	9.44	/
	2018	9.2	9.59	/

#### Leadership Training

Since 2017, a total training cost of RMB 10.7 million has been invested, with 10 trainings delivered and over 450 employees trained. The ratio of male to female trainees is 1:1.6, the total training hours add up to 72,000, the average training hours is 160 per person, and the average training cost per person is RMB 25,000. Turnover of employees trained under the program and graduated is 14.3% only, far below the overall turnover rate of the Company. 13.4% of trained employees have subsequently been promoted. As of 2019, 31 training sessions were held, and approximately 1,500 trainees were involved.





## Enoch Online

### #1 Enoch Live Streaming

With online streaming focusing on investment management and parent-child growth, Noah passes on its professional investment philosophy and attention to growth to the next generation. 2019 Buffett Shareholders Meeting, Dr. Huang's Appointment: President of Babson College, Dr. Huang's Interview: President of Babson College, Dr. Huang's Inter-view: Dallas County Sheriff, How to Inspire the Inner Learning Momentum of the Juvenile Youth, and other sessions featured a total view count of 28,944 and a total viewer number of 11,032.



### #2 Online Academy

Online courses of investment management including Practical VC/PE Operation, Sec-ondary Market: Opportunities and Challenges in STAR Market, China-US Turbulence V.S. Risks and Opportunities in Investment Portfolio, Selected Topics of Enoch Real Estate Workshop—Online Version, Top-Level Global Wealth Planning Under the Dual-Wave, and Public Fund Industry Map featured a total view-count of 8,830 and a total viewer number of 5,204.



## Investor Education

Not only do we help clients make investments, we also enable clients to understand wealth management knowledge systematically and establish a complete framework for financial investment and financial planning. We have prepared a veritable feast of ideas for our investors, where important figures in the financial industry gather and share with investors on macro economy and asset allocation recommendations.

Professional relationship managers interact with clients in a personalized way on a regular basis, which effectively establishes and enhances clients' trust and improves loyalty. We care for client's wealth management and inheritance, but we care even more for our clients' happiness and health as well as spiritual satisfaction and well-being.

### #1 Online Education for Investors

#### 1. Selected Investment Course from Chun Xia

It is a Noah-exclusive lecturer IP created on the online investor education platform for the purpose of enriching investor education. Officially launched in September 2017, the course was the first paid featured course launched by Enoch.

- Course composition: Up to now, a total of 100 formal sessions, 55 interactive sessions and 13 complimentary sessions have been delivered, with the total number of audios put online reaching 182 and total audio length exceeding 1,600 minutes.

#### 2. Noah Wealth Radio on ximalaya.com

It is a comprehensive financial program that shares investment philosophy and wealth views delivered by Noah on ximalaya.com. In 2019, the program was cumulatively played 6.57 million times, the total number of followers increased by 15,000 (reaching 98.9 thousand), the average completion rate was 54.3%, and the cumulative number of subscribers was 82,700. It offers the following featured programs:

(1) *Jingbo's Investment Notes*—Sharing the investment wisdom of a female wealth steward.

This featured program mainly shares the stories of Jingbo Wang, Founder of Noah Holdings. Topics covered include entrepreneurship, investment and the spiritual world. In 2019, a total of 120 sessions were released, cumulative playback times reached 4.17 million, and the completion rate reached 56%.

(2) *Wise Financial Pioneers' Views*—Entering the wealth forum, sharing cutting-edge views

This featured program mainly shares the views of big names invited to the summit held by Noah Holdings. In 2019, a total of 14 sessions were released, the cumulative playback times reached 1.38 million, and the completion rate reached 52.15%.

(3) *Excellent Investor*—The first program in China featuring dialogues between investors

- In Season I, Zhe Yin, Ziping Kuang, Zhu Li, Xitai Sheng, Suyang Zhang, Wei Zhang, Zhe Wei, Daqing Mao, and Qing Wang were invited to the program, and the total playback times reached XXX thousand.
- In Season II, Erhai Liu, Jixun Fu, Jiaqing Li, Bing Xiao, Yi Cao, Zhen Zhang, and Hui Wang were invited to the program. The program was broadcast on a number of platforms including Tencent, 36kr.com, toutiao.com, Tik Tok, ximalaya.com, Mini Noah, and Easy Joy new platform. In 2019, 5 sessions were released, the cumulative playback times reached 1.02 million, and the completion rate reached 54.77%.

## #2 Noah Wisdom and Leadership Summit

### The greatest truths are the simplest, principle first

Noah's principles are based upon the twin pillars of striving for truth and extreme transparency. We employ a macro methodology to hedge bets in financial investment, daily routines and life in general. According to this methodology we practice creative selection and employ a decision mechanism based upon credibility assessments. These are all invaluable principles for investment in work and life.

A tribute to Investment Legend Howard Marks	700 participants
Leadership Series—Family Legacy Summit	500 participants
Leadership Series—Safeguard and Inheritance of Global Assets Investment	1,500 participants
Leadership Series—Private Equity Investment Forum	2,000 participants



### The First Overseas Investment Summit and the Duration and Engagement Conference

This was Noah's first overseas summit held in Hong Kong. The theme of the summit was "Taking Stock of the Present and Planning for the Future". At the summit, over five hundred financial elites came together to carry out in-depth discussions on the American Federal Reserve's resuming of interest reduction in the context of global economic disruption, and studied opportunities to re-allocate our assets in these times of change.



### #3 Noah Education

#### Wealth School

Noah Wealth Academy helps establish personal strategies and a philosophy of investment via systematic review of finance and investment knowledge, talks with investment gurus, practicums and in-depth sharing among students.



#### Real Estate Workshop

The Real Estate Workshop aimed to strengthen proficiency in the real estate macro market, real estate finance, taxation and accounting, project development and asset-heavy real estate operation specialties. Forty participants took part in the workshop in 2019.



#### PE Workshop

The PE Workshop focused on knowledge, vision and psychology in investment and involved in-depth study of private equity investment, promoting correct investment concepts and risk awareness. Forty participants took part in this workshop in 2019.





### Open Market Workshop

Transactions in the open market comprise a large portion of the capital market and enjoy the highest mobility and convenience. Our workshop played host to a wide range of participants from investment institutions and individuals who made joint efforts with students to explore and foster investment ideas, risk assessment and control and resource allocation. In 2019, 25 participants engaged in the study.



### Noah Open Class/Gopher Academy

Noah Open Class and Gopher Academy are committed to investor education under the names of Noah and Gopher, striving to provide more training and knowledge all in one class. During the class, we carried out differentiated and targeted communication with clients of different levels, helping them address their problems, while attracting new clients and promoting business. In 2019, seven open classes and seven sessions of Gopher education were held.



## Hot Spot Study

Organized by Enoch Education, Hot Spot Study has been building a systematic and professional framework for investor education. Moreover, Enoch has noticed the need for professional continuing education and training in application of knowledge to address daily problems in line with market changes. The Hot Spot Study was thus created to share interpretations of major events in terms of investment.







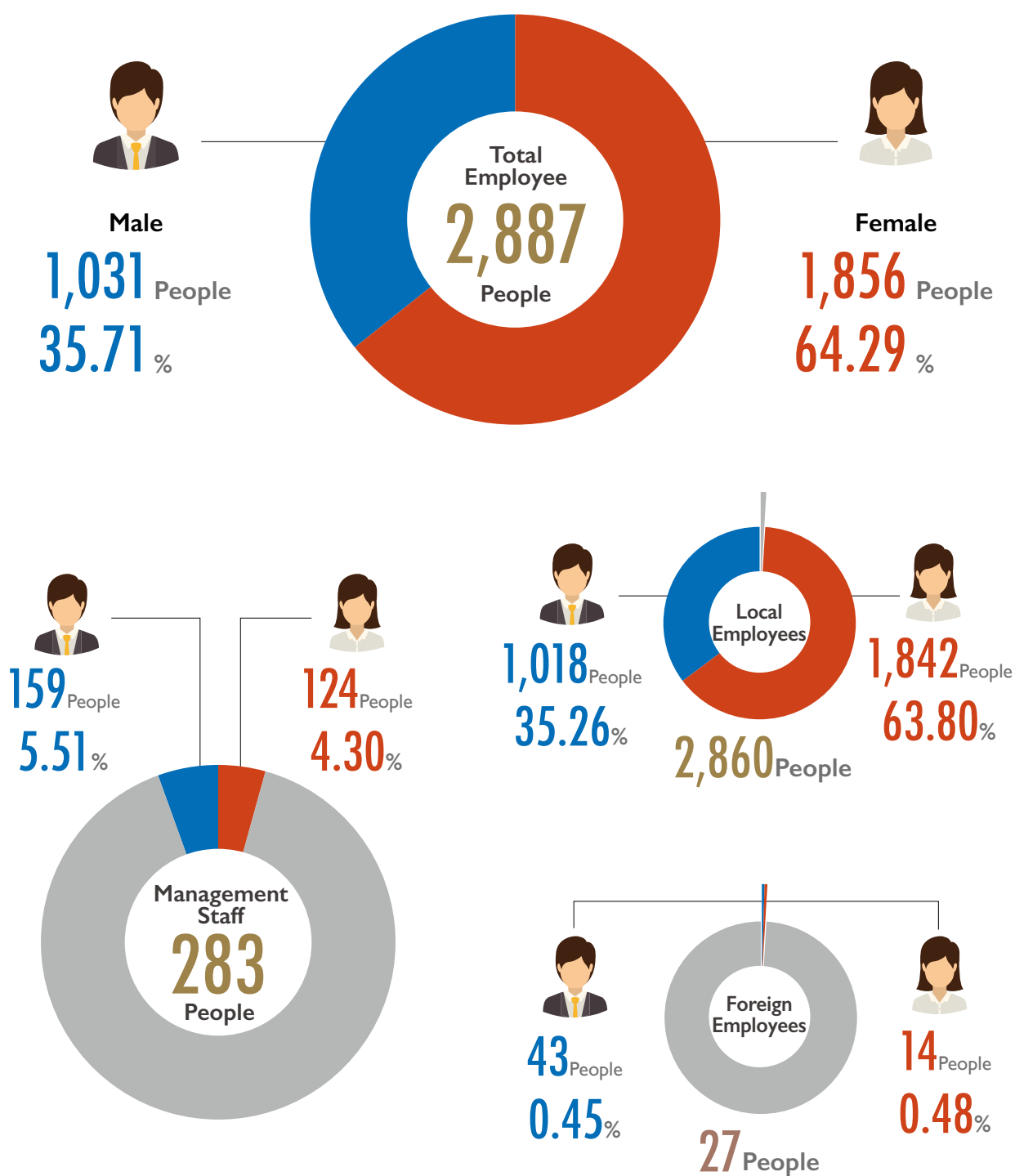
# PROFESSIONALISM

## 2019 Most Aspiring Employers in Shanghai

2019 China Best Employer Award Ceremony and International Management Forum of Human Capital in Shanghai was held on December 19th. After several rounds of assessment by the expert panel, hundreds of human capital management practitioners and thousands of employees and job-hunters, Noah Holdings stood out from 2,586 shortlisted companies and was awarded China Best Employer Award in 2019 – China Most Aspiring Employers in Shanghai.

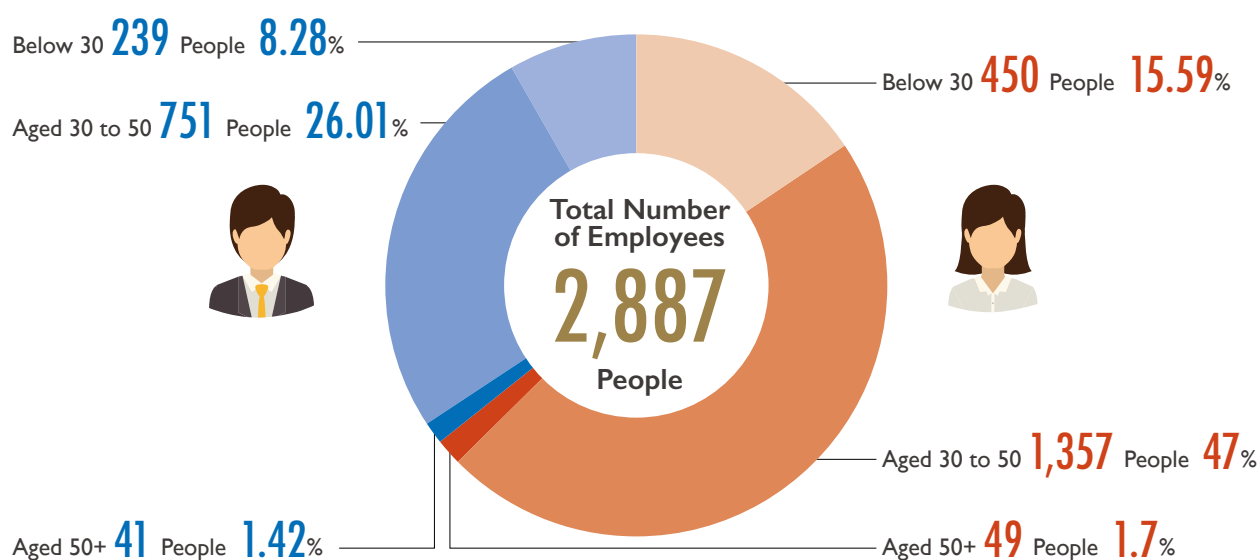
- With a great sense of responsibility
- Ready to take on duties and cooperate with teammates to achieve working targets and plans
- Accountable and responsible for workplace outcomes
- Proactively providing clients products and services that suit their conditions
- Focused, professional, fully committed, and equipped with systematic analytic capabilities

## 2019 Human Capital Structure

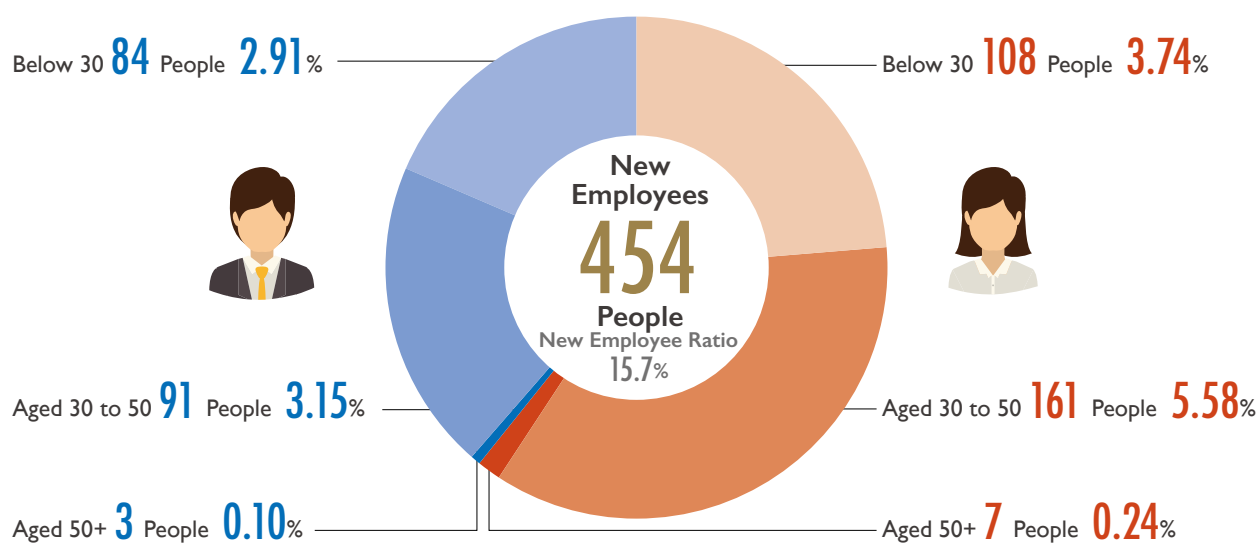




## Age Distribution

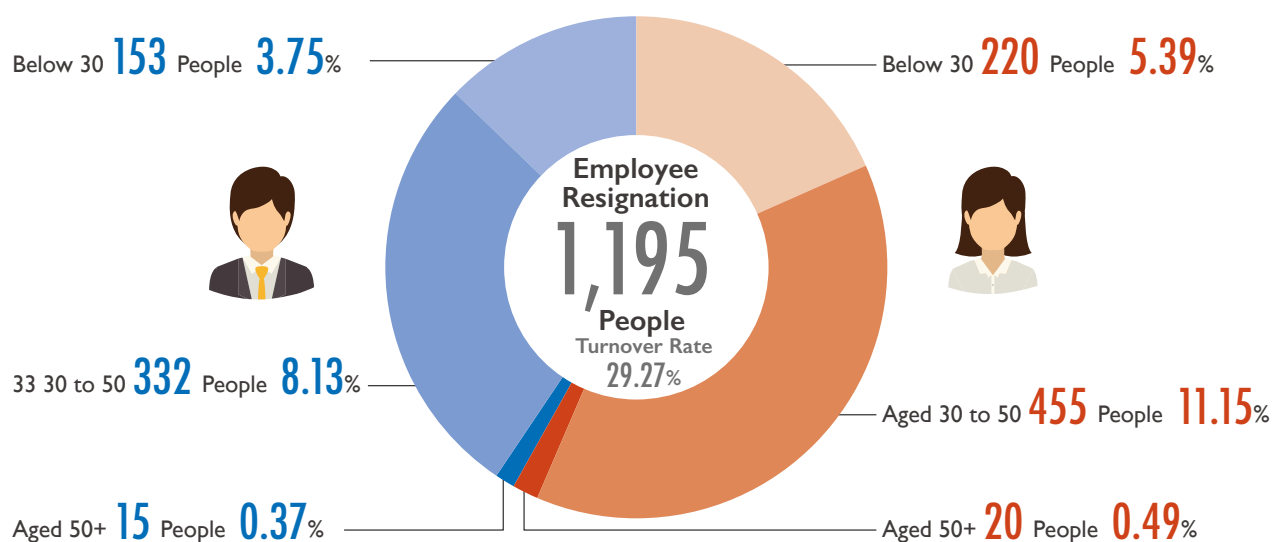


## New Employees



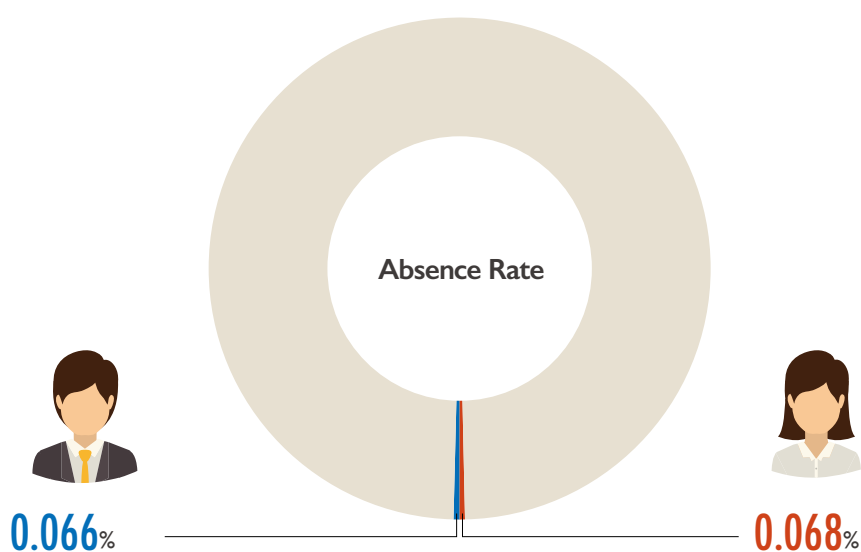
Note: New employee ratio = the number of new employees / the total staff number

## Employee Turnover



Note: Employee turnover rate = the number of employees leaving / (the number of employees leaving + the total number of employees)

## Absence Rate in 2019

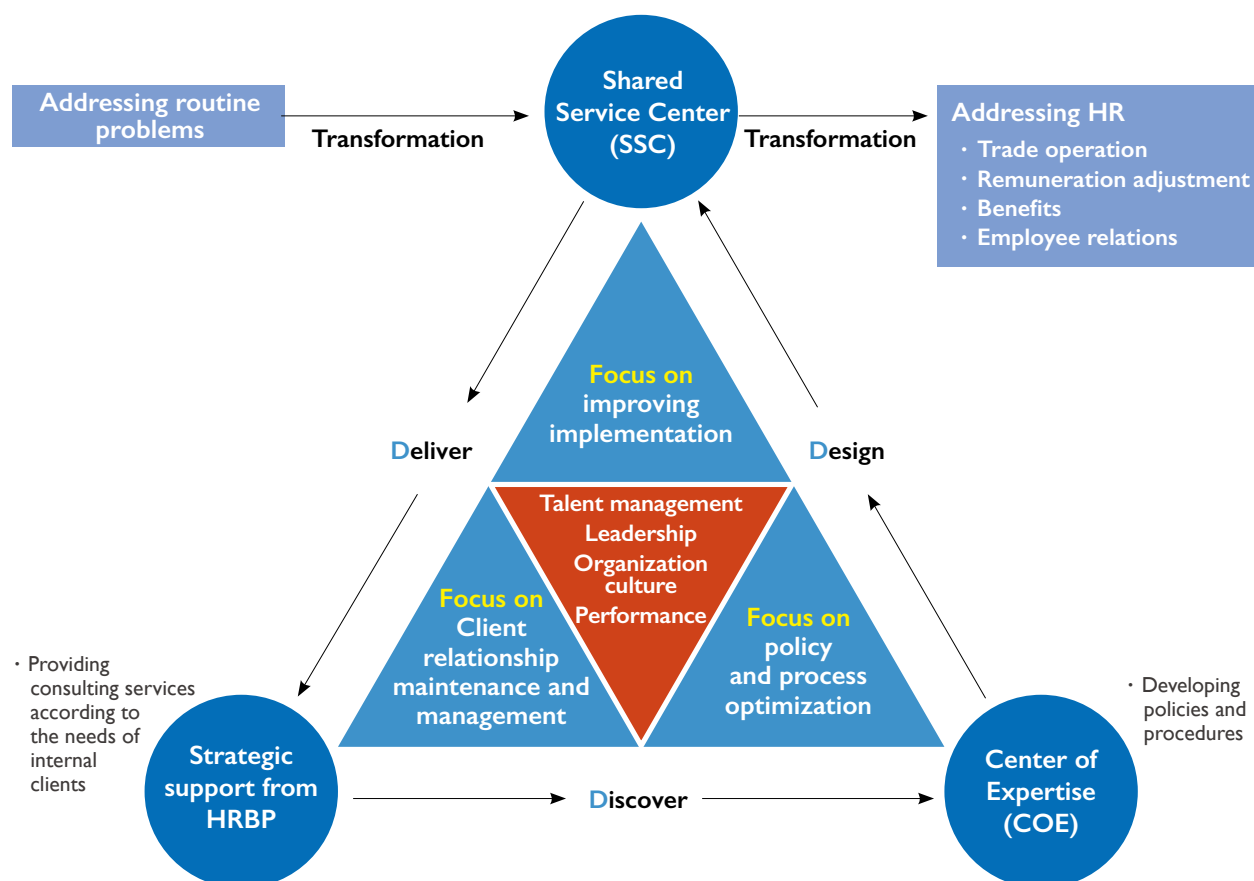


Note: 1. Absence rate = the total days of work absent / the total days of full time employment × 100%  
 2. Maternity leave, coming in late and leaving early as well as absence without salary deduction not included.

## Human Capital Management

In 2015, Noah accelerated development and diversified its business layout, changing its unified strategy of human capital management to a differentiated strategy, gradually building up a "Three-Pillar" management model. Based on this strategy, we implemented a number of major management optimization projects, which not only improved the organizational structure, but also adjusted the remuneration system in cooperation with global consulting agencies. We also introduced office software (Pelplesoft System, for example) that is more powerful and flexible.

The preliminary "Three-Pillar" model, consists of Center of Expertise (COE), Human Resource Business Partner (HRBP), Shared Service Center (SSC), working jointly to promote business development. Among them, HRBP plays a more significant role in coordinating and directing business development and solving problems more suitable to the needs of business.



### Implementation of New Organizational Structure

1. More opportunities to explore employee potential;
2. More diversified development channels for management and specialties, rather than one single channel;
3. Perfected management rules and mechanisms: lay out corresponding provisions for promotion and transfer to normalize and institutionalize promotion management;
4. Provide a proactive management system for various industry-related demands that is more adapted and targeted to the intricacies of finance.

## Transparent Recruitment

We strive to offer a strong platform for career development and strive to be one of the top companies for employee satisfaction. We hope to become the first choice for top talents ready to enter the world of wealth management. With the goal of becoming a great sustainability company and one of the most renowned companies in all of China, we have built a well-rounded recruitment system with professional procedures, focused on company strategies, core values and Noah's trademark employee competence. We have organized a team with outstanding compliance capability, learning ability, excellent expertise, allocation ability, comprehensive service capability and global vision.

Noah Staff are all fixed-term employees, and receive evaluation every three years for further employment. We do not discriminate by race, skin color, national origin, ethnicity, gender, marital status, age, disability, family responsibility, or sexual and political orientation in our recruitment process, nor is remuneration in any way tied to the above factors. Because of the specific demands of the service and production industries, we don't have employees with mental and physical disabilities, and compensate by payment to the employment security system for the disabled.

We value employees' right to work, as well as their freedom of assembly and association, and have formulated staff management regulations and appeal procedures, as well as sexual harassment prevention policies and mechanisms to deal with related complaints and ensure respect and equal treatment to every employee.

- ❖ **Recruitment:** The COE recruitment team has perfected their talent sourcing system, improved the efficiency of the recruitment process, and explored more recruitment channels, to provide comprehensive solutions to HRBP and build a well-established recruitment system. HRBP is responsible for the entire recruitment process and selects outstanding candidates in a fair and objective manner.
- ❖ **Interview:** Candidates will be interviewed by human capital experts, department directors and executives for selection and screened by advanced recruitment instruments.
- ❖ **Performance Appraisal of New Employees:** New employees will receive performance appraisal in the 6-month trial and those with excellent performance will be admitted as full-time employees ahead of schedule.







### Competitive Remuneration System

In 2018, Noah set up different standards and formations of remuneration in different business sectors, as well as normalized management based upon the overall results of remuneration system projects, fully implementing ideas and strategies of remuneration and stimulating impetus for sustainable development.

We provide above-average remuneration, including salary, bonus, benefits, stock rights, shares or options. Apart from achievement bonuses in accordance with job responsibilities, grade standards and annual performance, quarterly bonuses are also offered to some employees based on job type and quarterly performance. Moreover, Noah offers a variety of subsidies to support the life and work of staff, covering their communication and dispatch, and fully taking on staff care responsibility.



**Remuneration Comparison**

The minimum wage for Shanghai in 2019 stands at 2,480 yuan/month. We have compared this with the salary of basic positions like Noah's trainees within one year after graduation.

Note: 2019 remuneration standard × 12 + the year-end bonus, overseas employees included.

## Comprehensive Training Strategies

Professionalism requires continuous learning. To provide customers with the best service and the best value, we need employees that are both professional and engaged. Therefore, we demand all Noah people to demonstrate high level of professionalism, including strong sense of responsibility, courage to take on challenges, and systemic thinking, review all work flows according to high standards, and provide products and services to clients' satisfaction.

To put professionalism in practice, we set up a training department, now named Talent Development Center, focused on six training categories, including new employees, group executives, mid-level managers, trainees, investment specialists and internet finance staff. There are four systems, i.e., project, course, trainer and platform, and five modules, i.e., cultural integration, specialty, management, wealth business and general sector in our training. In 2019 we paid a total of RMB 5.8141 million for staff training across the Group.

Apart from face-to-face classes, we also offer E-learning courses at regular intervals on PC, mobile platforms and multimedia, and we keep upgrading electronic and mobile platforms to turn Noah into a learning organization, fully strengthen staff essential capabilities, improve their specialties and competence and ensure the best services for our clients, thereby creating a positive feedback loop.

Besides expertise training by internal trainers, we also invite external consultants and lecturers to specially design courses in line with corporate culture and industrial needs, which help improve staff capability in client communication and emotional intelligence.

Private advisory board training is one of Noah's special courses. It serves as an intellectual proving ground, where colliding viewpoints and thinking generate inspiration, uncover hidden tacit knowledge and engage commercial instincts. An increasing number of people regard private advisory boards as an important approach to self-improvement in the post-EMBA era. As of late 2019, our board coaching camp has trained 226 internal coaches, and they held 479 boarding meetings in all.

### Noah Talent Development Strategies

1. Having experience of and identifying Noah's culture and core values, sticking to career direction, understanding corporate philosophy and behavior norms of Noah staff.
2. Appreciating corporate strategies, organizational structures, department functions, product profiles and business expansion.
3. Assisting new employees in their adaptation to working teams and criterion, acquiring necessary skills and building critical networks.
4. Improving team performance and cohesion, and raising innovative ability and sense of ownership through group training and fusion.

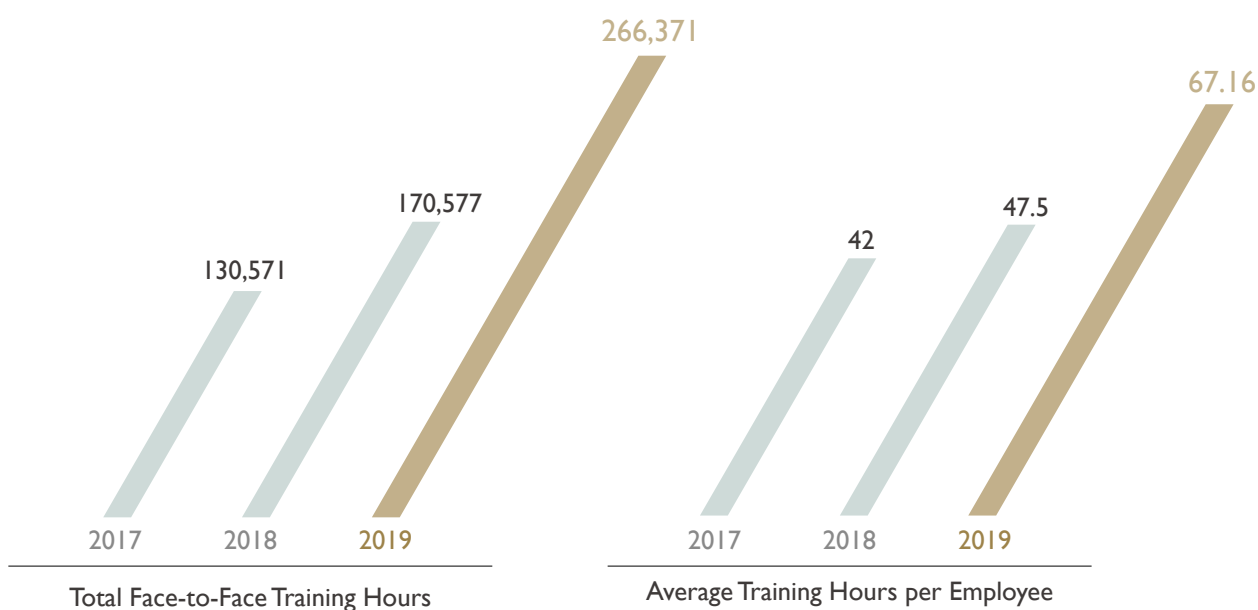


Category of Trauning		Contents	Trainee
	Management level	Leadership training for executives, mid-level managers and general managers in technical sectors and wealth center	Management level
	Corporate culture and core values	Corporate culture and core values training / "Werewolf Training"	All employees
	Professional training	Relationship manager training / continuing education of employees with certificates / financial specialty	Front-line employees
	Generic skills	Communication skills / practical writing / emotion and pressure management (e.g. Emotion management in the workplace) / business etiquette / presentation skill	All employees
	Training branches	Specialty training in accounting, taxation, law, IT, customer service, human capital and so on	Employees in subsidiaries
	New employees	Promoting management trainee program through in-service training / rotation practice / teaching super-vision / discussion and external communication / strengthening capabilities of new employees	New employees

### Noah leadership development system



### Staff Training Hours



### 2019 On-line and Off-line Training

Type	Type	Number of Trainees	Total Training Hours	Average Training Hours per Employee	Per Capital Costs (RMB)
Off-line	Front end	3,193	41,210	31.68	2,497.36
	Middle and back offices	6,148	64,855	40.43	
On-line	-	-	160,306	55	-



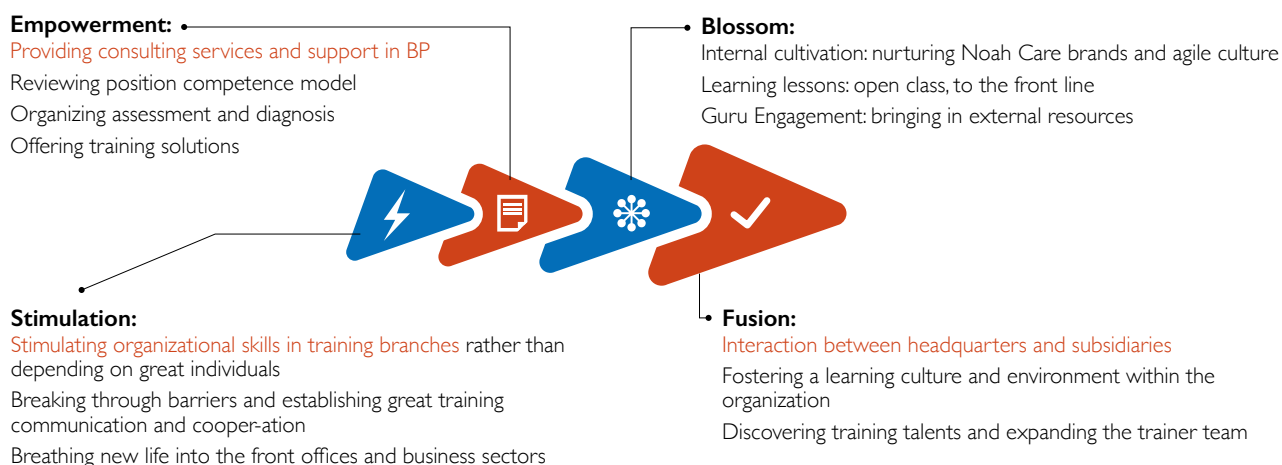


## Noah CARE College

In addition to improving the expertise of our staff, we also invest abundantly in nurturing their mental health, hence the founding of Noah Care. Our lectures cover a wide range of topics, including regimens for the elderly, child education and spiritual growth.

1	<b>Outward Oriented Policy of Exporting values:</b> Establishing the business, carrying out a three-in-one approach	Improvement of staff specialties / employee care / customer relationship
2	<b>Inward Oriented Policy of Organizational Training System:</b> Building a learning organization ecosystem	Weekly expertise discussion / regular exchange of industry information / private class design
3	<b>Bridging the internal and the external:</b> Channeling middle- and back-office resources	Middle- and back-office staff exchange with front offices / front-office staff exchanges with middle and back offices / internal exchanges between middle and back offices
4	<b>Cloud Learning:</b> Sharing learning anywhere anytime	Noah Care online journal / flipped class / online review of off-line courses
5	<b>Intelligent Innovation:</b> Applying technologies like big data and new media with great facility	Learning while playing with mini programs / AI knowledge base / new media operation

## Organizational Innovation of Training in VUCA Era



## Noah Power

Noah Power focuses on leadership improvement across the organization. Through the experiential approach, we explore staff potential, improve their performance and social impact based on their own vision. Take Noah Class 30 for example. There were 50 students in all, securing 3406 new investments in fixed income funds within three months, accounting for 40% of new users on the platform for the year. Meanwhile they proactively engaged in public services, and raised over RMB 460,000 for charity during the training.



## Noah University App

In 2017, Noah group training department built a mobile training platform—Noah University (for employee), which created a closed loop, integrating online and offline training to improve efficiency. In 2019, the App was developed into an internal corporate mini program, with new subjects like "Saying and Sharing", "Gopher Column" and "Adversity Intelligence", to make online study less intensive, and more modularized and personalized. Online training time totaled 160,306 hours, and per person online time averaged 55.9 hours.

## New Employee Training

We designed the following five training modules: "Into Noah", "Understanding Noah Business", "Financial Risks", "Professional Training" and "Seminars". These modules were designed for new employees to allow them to achieve rapid integration, attain a better appreciation of Noah's corporate culture, become familiar with our business model and structure, avoid career risks, acquire essential skills and establish critical working relationships. With the help of our year-long onboard training, we hope to assist new employees in laying a solid foundation to start their careers at Noah on the right foot.



## Relationship Managers Training

We have seen a rapid expansion in the Chinese wealth management market, and the understanding of the industry is becoming broader and deeper; with more demand for comprehensive financial services. Now more than ever, our relationship managers are taking on ever great responsibilities. A qualified relationship manager should have a good command of various financial instruments as well as applicable laws and regulations. They should have a good appreciation of each clients' financial conditions and needs, so as to provide them with a practical wealth management plan.

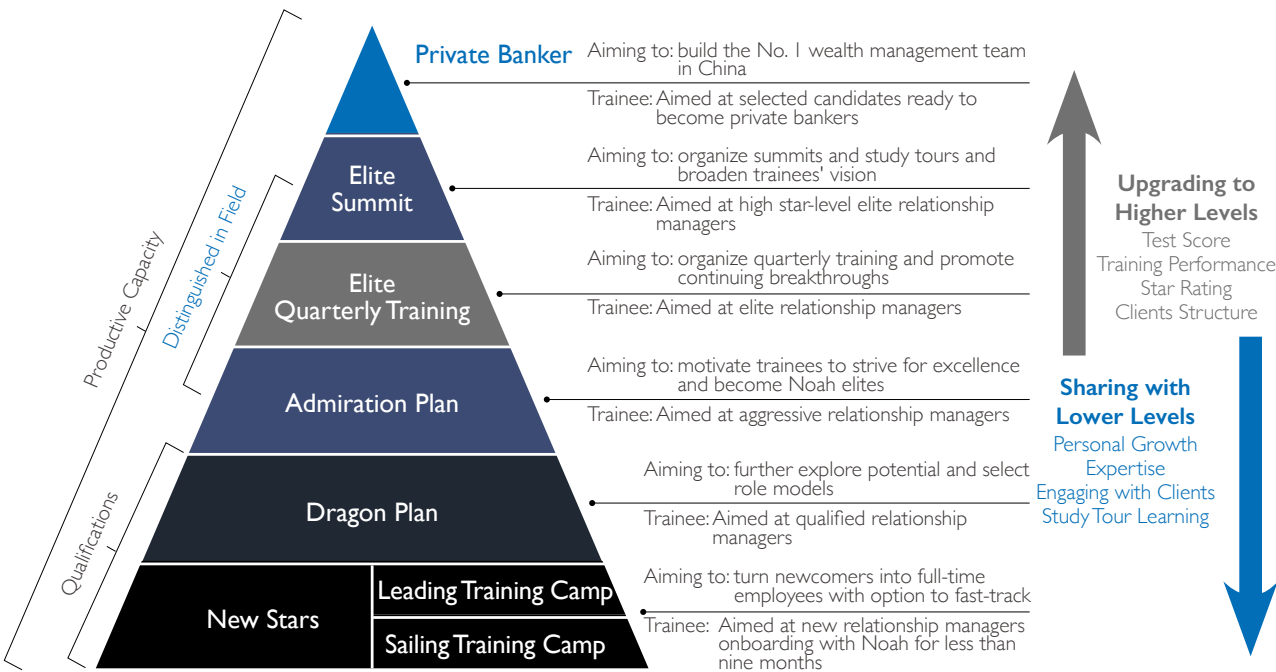


Through expertise training and practicums, our relationship managers can make full use of their strengths to drive high growth in the wealth management business. They are capable of proposing asset allocation solutions according to the financial plans and needs of high-end clients, helping them achieve stable wealth appreciation. The Noah Wealth Management Training System consists of a number of Noah trademark project, such as New Stars, Annual Relationship Manager Conference, Elite Training, Elite Summit China, Private Banker and so on. In 2019, over 2,400 relationship managers received off-line training, with a total training time of over 41,000 hours.

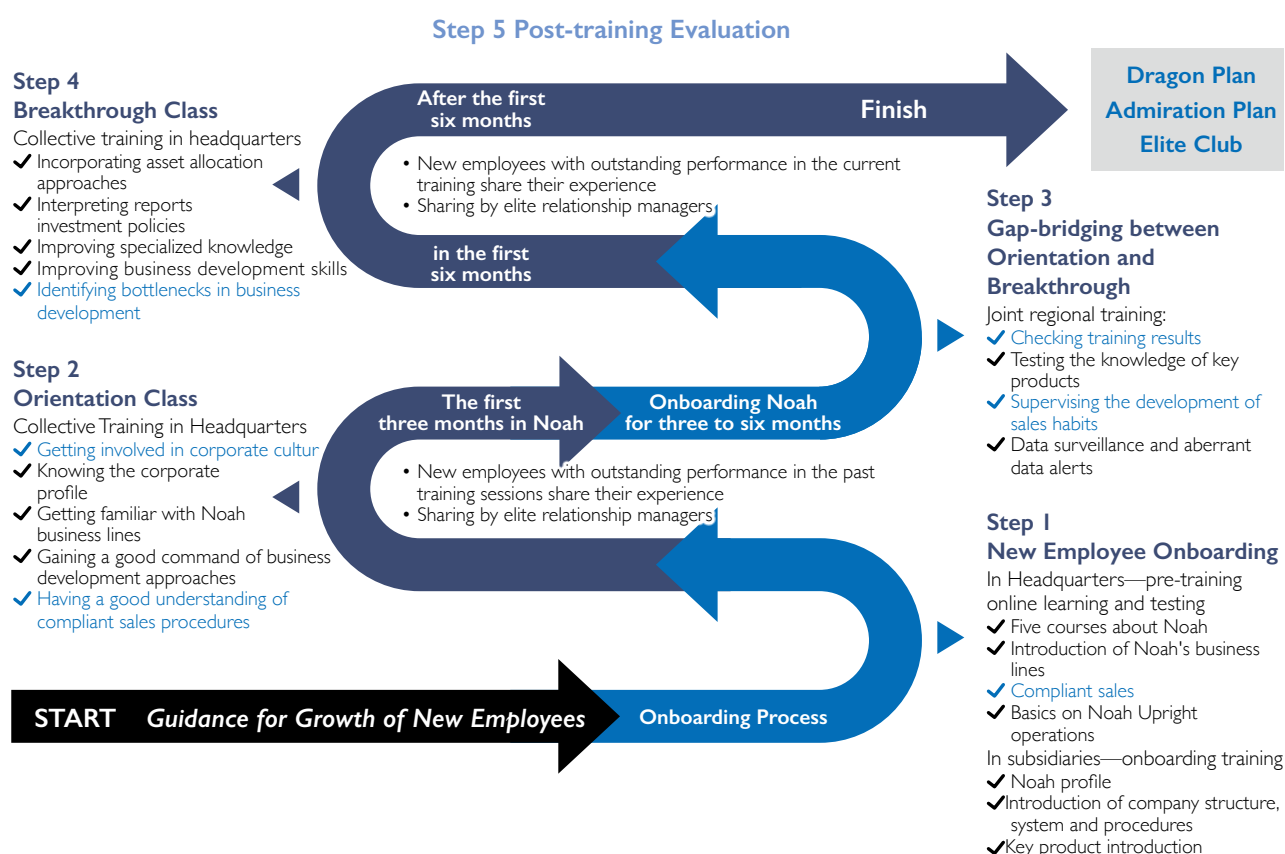
- **Relationship manager competence model:** in our recruitment of financial planners, we built respective competence models for every position class and created precise profiles of financial talents to find qualified candidates that perfectly suit our needs.
- **Concept and Vision for Talent Sourcing:** We focus on applicants with bachelor or higher degrees and look for candidates who are compatible with Noah's culture and values.



Financial Planner Training Series



## #1 New Relationship Managers



## #2 Elite Relationship Managers Training

To foster elite relationship managers, Noah Holdings has sponsored various events including the Annual Relationship Manager Conference and the Elite Relationship Managers' Summit for both domestic and foreign practitioners, along with the Noah Private Bankers, a three-year training program in collaboration with Shanghai University of Finance and Economics, contributing to the pool of top industrial professionals.

### Elite Relationship Manager Team—Business Achievement Formula

$$\ln Y = \alpha + H (\ln \text{Knowledge} + \ln \text{Skill}) + \text{Resource} + \text{Endowment} - \varepsilon_i$$

In the formula,  $Y$  indicates overall achievement,  $\alpha$  indicates established achievement, *Knowledge* indicates professional knowledge, and *Skill* indicates business development skills,  $H$  indicates the coefficient of relationship managers' deliberate practice, *Resource* indicates their client resources, *Endowment* indicates their natural individual gifts, and  $\varepsilon_i$  indicates their mental interference factor. The training focuses on targeted solutions for relationship managers' problems on three levels—professional knowledge, business development skills, and mentality management.



## Training for Internal Trainers

We established a training and appraisal system for internal part-time trainers, and designed different training methods to improve the professionalism and the structure of Noah trainer management. We have built a team of high quality trainers that embody Noah's business culture and are able to better support Noah's strategies, business growth and talent training. With multi-leveled specialized training, employees with great potential get the opportunity to become seeded trainers and to share and improve their professional knowledge and service skills.

Levels of Internal Part-time Trainers	Appraisal Method
Noah Power Assistant	Recruited from past Noah Power graduates according to their scores, working performance and position
Senior Trainer	<ol style="list-style-type: none"> <li>1. Employees of the headquarters can directly become trainers on the approval of the Group training department.</li> <li>2. Employees of subsidiaries and regional branches, should first get the approval of training managers in their own units, and then be approved by the headquarters training department to become trainers.</li> </ol>
Advanced Trainer	
Trainer	
Associate Trainer	

## Certification for Fund Practice

In accordance with applicable laws and regulations, such as *Law of the People's Republic of China on Securities Investment Funds and Measures for Administration of the Sale of Securities Investment Funds*, the personnel engaged in fund sales, promotion and consulting should obtain a fund practice qualification by passing China's fund sales qualifying exam.

The Asset Management Association of China has improved the knowledge structure of the fund practice quality exam, outlining the syllabi with three major subjects, i.e. *Applicable Laws and Regulations, Work Ethics and Business Specifications in Fund Management, Basics of Asset Management and Basics of Equity Investment Funds (including Venture Capital Funds)*.

Noah greatly encourages employees to attain practice qualifications and support their continuing education. As of December 9th, 2019, 90.9% of front-office employees in Noah Upright attained fund practice qualifications, and continuing education time reached 23,251.5 hours in total. From 2018 to 2019, we paid RMB 373,250 in continuing education costs for employees attaining their fund practice certification.

## Noah Internal Brand Course for Lecturers

### 1. Program Overview

The project aims to train approximately 20 entry-level internal trainers in every term. They will learn scientific teaching theories, as well as become familiar with training course development and teaching procedures. As their ability to develop courses improves, they will also acquire innovative approaches to liven up the class and create a happy and interesting learning atmosphere.

### 2. Program Object

Elite relationship managers and relevant mid- and back-office personnel

### 3. Program Duration

The project lasts for 1.5 months and is divided into three phases.

### 4. Training Course Optimization and Development

We developed two types of courses: one focused on solving business problems and the other on knowledge consolidation. We also designed courses targeted at different positions and tasks and inspired by problems that arise in various task. We added review sessions to sum up theories and experiences from the practice, to make the training more systematic and practical.

### 5. 2019 Results

The first 20 graduates of the Noah Internal Brand Course are taking part in all kinds of training and online sharing projects, while the Course keeps expanding, as the second term of training courses and a further plan for specialized training in operation gets started. We had 56 new trainers, developed 59 internal training courses, organized 110 sessions of training and trained more than 1,100 employees.

## Performance Management

We carried out top-down inclusive KPI management to encourage employees to integrate their personal goals with organizational objectives and facilitate the accomplishment of our corporate mission. Performance management serves as an effective tool for managers of all levels. With the help of such tools, our managers are able to provide guidance to their subordinates, help them make specific working plans and set measurable goals; they also carry out regular inspection of their subordinates' work, communicate with them on problems in their work and make timely adjustment and rectification. As such, we strengthen the management capability of our managers at all levels and the competence of their teams, while also keeping business operation in line with both Noah's strategic goals and teamwork objectives.

## Improve the Employee Relations System

In the process of high business growth, we care most about the mental and physical health of our employees. On the basis of statutory insurances and commercial insurances, Noah has established a comprehensive and multi-level employee protection system that covers all employees including interns and contractors. Moreover, for senior management, foreign employees and other special groups, it provides targeted protection as well as supplementary medical insurance for employees' spouses and children.







## Employee Benefits

We have snack bars located on every floor of our office buildings, providing our staff with daily supplies of milk and soy milk at 10:15 a.m., fruit at 3:00 p.m. and desserts at 6:00 p.m. for overtime working. A birthday party will be held on a monthly basis for employees whose birthdays are in that month. Other benefits include:

1. Flexible working hours: Employees can start work between 8:45 and 9:15 in the morning and finish work between 17:30 and 18:00 in the afternoon.
2. Communication subsidy: the amount varies with employment level
3. Expatriate benefits: expatriate allowances, rental subsidy and travel allowance, as well as paid home leave.
4. Reimbursements for weddings and funerals: a certain amount of money or gifts is distributed to our employees on the occasion of these special life moments.
5. Insurance benefits: discount insurance plans for our employees and their spouses and children covering medical expenses and serious disease treatments.
6. Tax help for employees: optimal tax planning and insurance benefits for our employees in accordance with applicable rules and regulations
7. Employee discounts: air ticket discounts and gym membership discounts at "ONE FITE" in the office park.



## Physical and Mental Health Promotion

We do everything we can to create a special Noah staff culture. We organize group activities like company trips, employee parties, parental activities and other kinds of events, and also provide spacious sports venues to ensure employees' physical and mental health, including basketball courts, fitness centers, media rooms and bathing facilities.

Under the unified management of Noah Wealth Union, Noah employee societies were founded to promote staff recreation and relaxation activities. By the end of 2019, there were a total of 25 societies registered in Noah Union (18 in Noah Shanghai headquarters, and 7 in subsidiaries), focusing on a wide range of activities, including yoga, badminton and basketball clubs, and hobby groups for English learning and chorus, as well as those sharing knowledge in TCM and the Noah Little Red First Aid Society.







### Employee Communication and Complaint Channels

The voices of our employees are regarded as the most important driver for Noah's self-growth. We encourage them to express their opinions and have built multiple channels to provide appropriate support for their ideas, to promote their appreciation of Noah culture as well as solidarity among employees, thereby creating the possibility of a greater future for the organization.

For any questions or concern regarding corporate integrity and legal affairs, our employees can report through various internal communication channels, including Property Maintenance Hotline 2288, IT Support Hotline 6677, and separate email addresses for IT, administration and brand Departments to provide public services, as well as direct communication with managers of their own or corresponding departments. In regional subsidiaries, we regularly hand out questionnaires to collect real opinions and suggestions and provide timely responses. Employees can also appeal to the executives through the intranet.

In promoting an open-minded, transparent and equal communication culture, debriefing has become Noah's classic approach to executive performance management. This approach aims to increase horizontal communication between top leaders, help them fully understand the processes at play in different units within the organization, and ensure the free flow of information and a holistic view of Noah management. On the other hand, we use the annual work review and planning to strengthen their orientation and sense of responsibility, in the hope that Noah's culture and values can be reflected in the assessment and appraisal, stressing both the values and performance of our executives.



### Comfortable Working Environment

To create a great working environment for every Noah employee, the design of our workplace took into consideration the needs of every department. We emphasize the use of green architecture and office greening in our buildings to create a more natural working space.

**30%**

Green plant coverage of  
our office building

**300**<sub>pots</sub> / **200**<sub>individual plants</sub>

The number of green plants

**100**

The number of trees



## Transfer of Employees

We respect the human rights of our employees, so in case of transfer due to operational adjustments, we will offer multiple position choices accordingly to retain them for continuing service in Noah, as well as informing them in advance to allow them enough time to reschedule work.

## Childcare Leave in 2019

Childcare Leave	Unit	2019
The number of male employees entitled to childcare leave in the current year	persons	49
The number of female employees entitled to childcare leave in the current year	persons	131
The number of male employees taking childcare leave in the current year	persons	49
The number of female employees taking childcare leave in the current year	persons	131
The number of male employees returning to work after childcare leave in 2019	persons	49
The number of female employees returning to work after childcare leave in 2019	persons	131
The number of male employees still working for Noah 12 months after childcare leave in 2019	persons	34
The number of female employees still working for Noah 12 months after childcare leave in 2019	persons	71
Male return rate	%	100
Female return rate	%	100
Male retention rate (over 12 months)	%	69
Female retention rate (over 12 months)	%	54
The Retention Rate of Male Employee (over 12 month)	%	56
The Retention Rate of Female Employee (over 12 month)	%	44

Note: 1. Return rate: (The total number of employees actually returning to work after childcare leave / the total number of employees supposed to return to work after childcare leave) × 100

2. Retention rate: (The total number of employees still working for Noah 12 months after childcare leave / the total number of employees returning to work after childcare leave in the report period) × 100

## Nursing Room

Was inspected by the Shanghai Yangpu District Trade Union Council in November 2019, and received a construction subsidy of RMB 15,000 from the Trade Union Council as well as the district-level nursing room License. Equipped with: water dispensers, disinfectants, refrigerators (for cold storage only), electrical sockets, disposable breast milk bags, anti-septic cotton and so on.



## Health and Safety Management

Employees lie at the core of Noah sustainability, and their safety comprises an important part of our sustainable operation. A healthy and safe working space helps boost staff morale, decreases the turnover and absence rate, increases productivity and reduces the costs of health care and insurance. And employees themselves will benefit from the environment with less working pressure, more satisfaction and guarantee for health, which will in return improves our service quality.

### Emergency Response

To increase the safety of our employees and decrease damage and losses in disasters and other emergency events, we worked together with fire service agencies to create an online network, and hold one or two fire drills every year. We advertise prevention and response measures and basics of evacuation and escape, to improve staff response capability in cases of fire and other accidents.

Other than fire drills, we also demand that property management and security personnel should be equipped with some knowledge of fire prevention. They should know the locations and use of fire extinguishers, and be able to help evacuate staff in the workplace as soon as possible. In our workplaces, fire equipment will be tested on a regular basis and relevant units will be kept in online connection with professional fire agencies to ensure the safety of our employees.



### Employee Protection Measures

- 1. Improving security services:** we organize daily training and drilling as well as monthly exams for security personnel (those failing the exam will be replaced.)
- 2. Precautions during workplace decoration:** we give notice in advance to remind employees during decoration, make necessary protection and screening in construction sites, set up fire extinguishers as per decoration requirements and require suppliers to ensure safe construction.
- 3. Effective upgrading of the security surveillance system:** we replaced all cameras in the workplace with high-resolution cameras to cover every nook and cranny of our office buildings.



## Building a First-aid System

In terms of first aid organization, the Business Continuity Assurance Department and Training Department of the Group jointly established the Noah Little Red First Aid Society. The Society currently has more than 130 members and is intended to popularize and promote first aid knowledge and skills among Noah employees, as well as provide public services externally.

In 2019, our first aid society organized two AHA certified first aid trainings to teach first aid basics, CPR and other lifesaving knowledge. They trained 43 specialized paramedics and published the name list across Noah through emails. In addition to AHA certification, the first aid society has also taken opportunities like Noah annual meetings and fun sports events to offer basic training to all the staff on three different occasions, and carried out keynote speeches on Noah Values Day, thus raising awareness of first aid and CPR. Moreover, the society sent two of their core members to engage in AHA training for first aid instructors, to further strengthen their own abilities for internal training.



## Health Center

Located on the sixth floor of Chang Yang Valley, Noah Holdings Union's health center got upgraded in 2018 to improve staff awareness of health and their physical conditions. It now provides integrated health services like health care, first aid, and nursing rooms to maintain health for all employees.

In terms of first aid equipment, we bought AEDs and installed them in two workplaces in Noah headquarters, Chang Yang Valley and East Wharf in 2019, as well as first aid kits for group infirmaries, to improve response capability in case of health emergency in workplaces. Other than that, the first aid society also purchased dummies with feedback devices and other training apparatus with society funds allocated by the organization, thus improving their ability to conduct first aid training.



## Employee Physical Examination

Noah always puts employee care first in our administration agenda. To improve health awareness, well-being and quality of life for all of our employees, we provide free physical examinations every year. They can get a thorough checkup at cooperating health clinics to detect any health risks, thereby allowing them to continue to contribute to the healthy development of the organization.

Regular checkups and health analysis reports help us fully recognize both the physical conditions of our employees and that of Noah Holdings, thus promoting the smooth operation of our business.



### The Basic Plan for Employee Physical Examinations in 2019

- Appointed Institution: iKang Healthcare
- Coverage: 77% of headquarters employees
- A rise in health checkup expenses: from 350 in 2018 to 500 yuan/person in 2019
- Follow-up measures: we encourage our employees to have regular checkups, and take measures like reporting the list of employees not having physical examinations through emails and involving having examinations with KPI assessments for all departments

## Noah Holdings Union

Noah Holdings Union, the Council of Trade Unions in Shanghai Noah Investment (Group) Co. Ltd., is an independent legal identity formed in early 2017. With the guidance and attention of its superior unions, Noah Holdings Union has been operating well, and was honored by the Shanghai Yangpu District Trade Union Council in 2018 as a Top 10 Demonstration Site for Employee Recreational Activities in Yangpu District.

Noah Holdings Union now has 96 members, to whom it provides free employee-enrichment training and activities involving health, law, arts, parent-child relationships and humanities. In 2019, 32 events were held in total, with over 1,000 participants.



### #1 Health activities

The Union held 11 health activities in 2019, with over 500 participants, on topics including TCM, psychological counseling, dental care and family doctor services.

### #2 Parent-child relationship, art and social networking activities

Ten activities of such kinds were held in 2019, attracting over 200 people, including musical experiences, speech forums, friend-making opportunities and lucky draws on Children's Day.

### #3 Employee Enrollment Anniversary:

**Eight anniversary celebrations were held in 2019, with 544 attendees.**

### #4 Union lectures: Two lectures were held in 2019, attracting 75 people.

### #5 Applications for accommodation in talent apartments

To satisfy the accommodation needs of employees not resident in Shanghai, the Union opened applications for accommodation in the Yangpu District Talent Apartments in 2017. As of 2019, a total of 44 applications have been made and 20 applicants have moved in, saving each at least RMB 12,000 per year. In addition to Talent Apartments, rental subsidies for those living in Yangpu and Hongkou Districts are also provided, with over RMB 181,800 and RMB 87,000 paid toward the rental costs of employees' renting in Yangpu and Hongkou, respectively, in 2019.

### #6 Noah\_DG, the official WeChat account

In 2019, Noah Holdings Union, together with the Noah Party branch, set up Noah\_DG, an Official WeChat Account, to publicize group activities and accept employee applications for benefits. Via this platform, Noah employees can check a monthly schedule of activities organized by the Union and Party branch, or submit applications for Union membership, or for residence in the Talent Apartments.



### #7 Employee Mutual-aid Fund

This fund was set up in 2015 to offer support to employees suffering serious disease or accident, and to their families. In 2019, it collected annual fees totaling RMB 110,000 from 548 employees, which were added to a fund exceeding RMB 300,000, and was upgraded in following respects:

Minimum annual payment lowered	RMB 200 per person per year → RMB 100 per person per year (No Upper Limit)
More target groups covered	Fund Members → Members, Members' parents, spouses and children
More situations covered	Illness / Disability / Death



# | GREEN OPERATION |



## Resources and Energy Efficiency Management

As Noah operates in the wealth management industry, we provide products and services that cause next to no damage or pollution to the environment. Nevertheless, whenever our wealth managers provide services to our customers and our internal staff offer administrative support, it is inevitable that some energy (such as electricity) and other resources will be consumed in the process. As a global corporate citizen, Noah understands the significance of energy saving, emission reduction, environmental protection and sustainability. From the management level, our business strategy and organizational structure are designed to promote a series of environmental action plans for our offices, and we are committed to reducing the environmental impact of our operating processes.

### Noah's Sustainable Home

In recent years, energy shortages have become a global issue, as long-lasting dependence on non-renewable energy sources such as coal and petroleum has pushed these to the verge of exhaustion. Until more effective alternative energy sources can be discovered, the issue of energy remains a key constraint on international social and economic development. In order to fulfill the corporate responsibility for environmental sustainability, Noah developed the Sustainable Home blueprint to continuously promote a variety of environmental sustainability measures.

Within the organization, we promote a wide range of activities to protect the environment, and apply various measures to save energy and reduce carbon emissions, such as practicing e-administration to cut down on paper use, supporting behavioral changes among employees and exercising control over energy consumption. Outside of the organization, we keep recommending our online services to clients to reduce energy loss, and require external suppliers to engage in the Noah's Sustainable Home program, offering products and services that meet the requirements of environmental protection. We promise to take care of the ecosystem and protect our planet with real action!

### Energy Consumption in the Shanghai Headquarters

Item (Unit)	2017	2018	2019
Electricity - GJ	2,540	2,378	2,183
Energy intensity - GJ / million RMB	0.89	1.90	0.64
GHG emission - tCO <sub>2</sub> e	571	550	488
GHG emission intensity - tCO <sub>2</sub> e / million RMB	0.20	0.19	0.14
Water consumption - t	22,037	16,719	14,449
Gas consumption - L	8,400	7,200	25,000

Note: Energy intensity = electricity usage / net operating income  
 GHG emission intensity = GHG emission / net revenues  
 Conversion coefficient of carbon emission = 0.8095 tCO<sub>2</sub>e / MWh









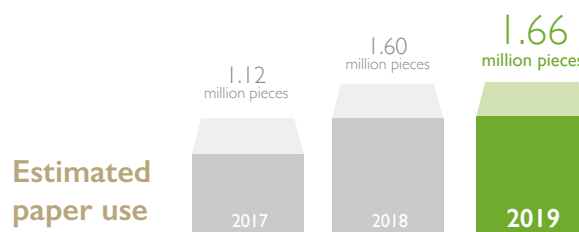
## Environmental Protection in the Workplace

In the financial service industry, office is the main workplace of employees. Apart from concerns regarding household waste, air quality and drinking water, the resources we consume include large amounts of paper and other consumables for administrative services, hygiene and sanitation, and meetings. In 2019, the Chang Yang Valley office spent RMB 240,000 on cleaning.

Our environmental protection program started far ahead of the garbage-sorting policy of the government. We have been performing and promoting eco-friendly policies and implementing them in accordance with 3R principles, i.e. Reduce, Reuse and Recycle. In greatly encouraging garbage classification and emission reduction, we hope these eco-friendly methods can be brought back home and into the communities of our employees. Energy resource management in our office buildings is centrally controlled by the headquarters. The administration department is responsible for managing electricity usage and surveillance, as well as consumption analysis and applicable energy-saving measures.

## Environmental Protection Measures

Items	Description
 <b>Electricity and air conditioning</b>	<ul style="list-style-type: none"> <li>● Set all air conditioners to 26°C.</li> <li>● Use LED lights that provide sufficient illumination while being conducive to energy conservation and emission reduction.</li> <li>● Assign security guards to patrol the property 4 times daily and turn off air conditioners left running unattended, thereby reducing electricity consumption by air conditioners.</li> <li>● Turn off lights and air conditioners left on unattended in office areas at 8:00 p.m.</li> </ul>
 <b>Water</b>	<ul style="list-style-type: none"> <li>● Use sensor-activated faucets in the break rooms and restrooms to conserve water.</li> <li>● Advocate on the proper use of toilet paper and paper towels so as to avoid waste.</li> <li>● Use replaced water from fish ponds to flush ditches and pavement.</li> <li>● Use water filters for drinking water instead of barreled water to reduce electricity consumption by water dispensers. In 2019, RMB 160,000 was spent on potable water in the Chang Yang Valley office.</li> </ul>
 <b>Administrative control</b>	<ul style="list-style-type: none"> <li>● Use potted plants to make office spaces greener, thereby reducing carbon dioxide concentration and upgrading air quality.</li> <li>● Set universal standby time for displays/computers. If the system remains idle for a certain time period, the display is either turned off or the system goes into sleep mode.</li> <li>● Provide a recycling bin in the printing room to collect paper for double-sided printing. Paper containing no confidential data may be put in the bin for recycling.</li> <li>● Manage and recycle stationery to reduce unnecessary waste.</li> </ul>
 <b>Employee behavior</b>	<ul style="list-style-type: none"> <li>● A month dedicated to the theme of energy conservation and environmental protection.</li> <li>● Encourage employees to turn their screens off if they need to leave their stations for a long time.</li> <li>● Turn off air conditioners and lights when going out to lunch or getting off work.</li> <li>● Turn off idle printers when getting off work and leaving the office.</li> <li>● Turn off all air conditioners and lights in meeting rooms that are not in use.</li> </ul>



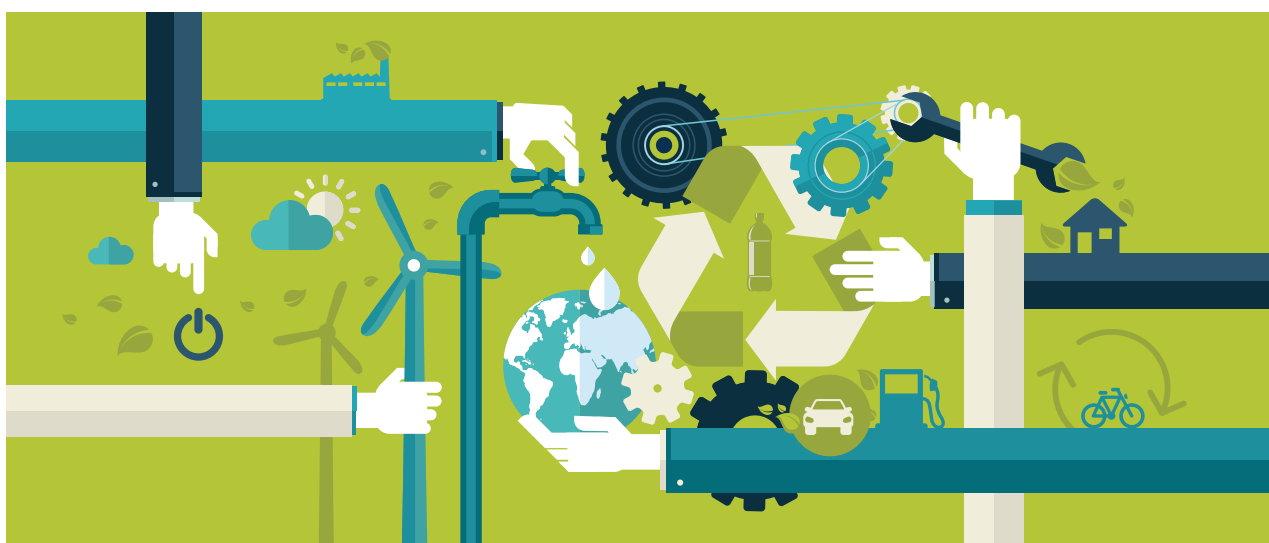
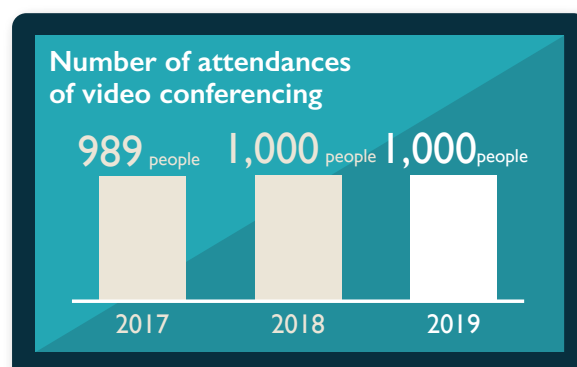
## Reducing Paper Use

Wealth management services consume large amounts of paper. To effectively reduce paper use, a variety of measures have been put into effect in our organization. We make visualized analyses of expenses on paper, advocate printing on the blank side of paper with no breakage, and encourage the reuse and recycling of any paper with no visible confidential information. We have also discussed separating modes for black-and-white and color copying with printer suppliers.

To get the printers in sleep mode back to work, employees should have their cards scanned, which helps to record each employees' usage statistics and reduce power consumption. In addition, we exercise cost control on monthly paper use in every department to promote a comprehensive management and reduction plan for paper consumption. At the beginning of every month, every department gives an estimation of their paper use during that month, and the administration unit makes the purchase according to their estimates. For excess paper consumption, departments will pay for the extra expenses on their own.

## Encourage the Use of Video Conferencing

With branches and clients all over the country, we installed teleconferencing devices in the Company to save time and man power for conference preparations and improve meeting efficiency. The broadband Internet connection, as well as input and output facilities for images and voices, have improved our exchange and communication across long distances and cut down on our carbon emissions from business trips as well. We also carry out an "approval for travel expenses" policy, to promote taking high-speed trains and bullet trains for road trips less than 5 hours, and reduced our expenses by 26%, or by RMB 10 million compared to 2018.



## Environmental Protection Activities

There is only one earth, but we hardly cherish it and once it's gone we'll never get it back. With regard to environmental conservation, we must operate on a macro-scale, long-term and holistic perspective. Conservation should be a high priority and we must abide by the basic national policy of integrating energy conservation and environmental protection. To promote green development and green living, we afford the same level of care to the environment as we would to any living thing.

In the 19th CPC National Congress report, "harmonious coexistence between man and nature" has become one of the foundational policies at the heart of pursuing and developing socialism with Chinese characteristics for a new era. Creating a beautiful and green China is one of the major objectives of the Chinese government as they build a modern socialist country. The report demanded that more efforts be made to address major environmental problems. Through active engagement in Alxa SEE (Society of Entrepreneurs and Ecology), Noah Holdings continues to contribute to environmental protection.

Noah Holdings, is the first independent wealth management institution in China listed on the NYSE, and has been nurtured by the financial market and economic trends in China.

Alxa SEE is the first association of enterprises dedicated to assuming social responsibilities to protect the earth's ecosystem. It always holds itself accountable for dealing with environmental issues, such as desertification, mass extinction crises, industrial waste treatment and air pollution, regardless of the challenges it faces.

### Noah Forest

Every second, deserts expand by 78 m<sup>2</sup>, equal to 2,460 square kilometers per year. The Alxa Desert, with an area of 78,500 square kilometers, lies at the convergence of three larger deserts, Badain Jaran, Ulan Buhe, Mongke Tengri. These are a major source of sand storms in Northern China.

In 2010, Noah joined Alxa SEE (Society of Entrepreneurs and Ecology) as a member of its first council and got involved in public interest. In 2014, Noah participated in the "One Hundred Million Saxauls" program, which intends to plant 100 million desert plants (equivalent to about 13.3 hectares), primarily saxauls, in Alxa's key ecological areas over ten years, in order to improve ecology of over 1,300 square meters in the surrounding and raise living standards of local herders with the derived economic value of these plants. A Saxaul windbreak of 800 km is expected to be restored to effectively contain desertification and the impact of sandstorms originating in or passing through Alxa. We will build an ecological protective screen, cut off two sand-spreading channels and block the convergence of the various tree deserts.

As a follow-up to One Hundred Million Saxauls, the Noah Forest program has been launched. Every year, we make donations to tree-planting organizations in the names of our clients, and also take them to plant Saxauls by themselves in Alxa. With low cost, high survival rate and high economic benefits, Saxauls have become the first choice in desertification control in the western region of Inner Mongolia. So far over 200,000 Saxauls have been planted in Noah Forest. Love is taking root, let's work together to realize our dream of restoring the environment to its former beauty!



**1 Saxaul = 10 yuan = 10 m<sup>2</sup> of desert land stabilized!**

## Noah's Ark

A large quantity of species, once populous on earth, are becoming or have already gone extinct. According to historical records, in the past 2,000 years, over 110 animal species and 139 types of birds have disappeared from the earth, one third of which went extinct in the last 50 years. The reason for such mass extinction is mostly due to human activity. Searching in Baidu Baike, you can still find entries for extinct animals, stating their living habits, natural enemies, reproductive behavior and reasons for extinction: these records are the only proof of their past existence. Worse still, more species are on the verge of extinction and their numbers are decreasing rapidly; they could disappear forever.

"Our Noah's Ark just set sail. We believe, our mutual trust and efforts will create a homeland where animals, fish, birds and human beings can live in harmony with nature. We also hope that no more extinct animals are added onto the Baidu Baike pages."

## Take action and contribute to Noah's Ark!

Among many actions to save endangered species, Alxa SEE "Noah's Ark" was founded in 2016. Alxa SEE plans to build a living Noah's Ark in the plateau wetlands and virgin forests of southwest China, where natural species can multiply freely. This program is designed to explore the possibility of harmonious interdependence between humankind and the ecosystem, to not only protect the environment and endangered wildlife, but also to benefit an increased number of people.

The project covers a wide range of animal protection activities, including protection of the Yunnan golden monkey, Himalayan bee, endangered medical herbs, ecological sanitary ware, New Master Botanical Garden in the Hengduan Mountain Range, Dai Medicine seedling resources in the rainforest, forests as water resources, local fish species and green peafowls.

We have been supporting Alxa SEE, and in 2017 we jointly proposed the "Noah's Ark" program and invested in the protection of green peafowls. The number of green peafowls in China is estimated to be less than 500, making them an extremely endangered species. As we see it, green peafowls remain pure and disciplined in times of hardship, a symbol of valuable character for us all to learn; therefore, we started a cooperation with Alxa SEE through resources integration, assisting in building a protected inhabitant area for green peafowls and working together to improve their living conditions.

We hereafter call on all of you: don't look on from the sidelines, there is only one planet! Making sure that every organism is free from the ravages of human development is our collective responsibility!







# MENTAL MATURITY

We strive to be

- pathfinder in self-actualization through charity
- one of the builders of Happy China

We believe

- changing the world
- starts from changing hearts

We invite you

- to make a difference in your own life and the life of other species
- and engage in actions to change the world

## Shanghai Noah Charity Foundation

Shanghai Noah Charity Foundation ("the Foundation") is a local non-public foundation initiated by Noah Holdings. On February 21st, 2014, the Foundation was registered at Shanghai Civil Affair Bureau with a registered capital of RMB 4 million. The Foundation adheres to the principles of "Being grateful, acting with kindness, leading a rich and caring life, and fulfilling corporate social responsibility". We are devoted to various charity aspects including self-actualization through charity, environmental protection, education and humanism, and care for the vulnerable, striving to be the propellant force for the achievement of a happy China.



Noah Charity Foundation is one of the few foundations in China that place emphasis on the spiritual development and happiness index of the people. It is committed to encouraging the backbone of Chinese society to establish a rich and caring leadership circle that spreads love and care across the world. Meanwhile, Noah Charity Foundation collaborate intensively with influential organizations such as Alxa SEE, China Volunteer Service Foundation, Ai You Foundation, Shanghai United Foundation and Teach for China. Noah CARE, Alxa SEE Noah Forests and other programs have gradually grown into new signature charity programs. Shanghai Noah Charity Foundation currently consists of 9 directors, 2 supervisors and 3 staffs.



### Major Events in 2019

1. The Noah Charity's Fifth Anniversary Celebration and Gratitude Ceremony of Noah "Light of the Spirit, Love for the Future" on August 18
2. The first enterprise charitable foundation in Shanghai: TAN Charitable Trust
3. "Music—Shining with the Stars": a charity concert for autistic children
4. Engaging in the education poverty alleviation project in the Tibetan-inhabited area of Golog Prefecture, Qinghai to support the national poverty alleviation strategy
5. Signing up with two strategic partners to promote further upgrading of Noah CARE
6. We upgraded Power of Happiness courses and the new version of our one-day course has been well received.
7. A new parent-child bonding activity: Gobi Mental Journey for parents and children
8. Developing Promoting Well-being courses to improve education for poverty-stricken populations and helping them out of poverty

## Funded Program

Type	Key Programs		Five-year Results
<b>Noah CARE— Self-actualization Trust Courses</b>  Open your mind and seek happiness	Indoor Activities	<ul style="list-style-type: none"> <li>● Power of Happiness</li> </ul>	Over 200 sessions in more than 50 cities, involving 27,000 people and investing RMB 17.5105 million.
	Outdoor Activities	<ul style="list-style-type: none"> <li>● Desert Mental Journey</li> <li>● Gobi Mental Journey</li> </ul>	
	Education Equality Promotion	<ul style="list-style-type: none"> <li>● Teach for China, Education for All Without Discrimination, CEDAR, and More Reading, More Happiness</li> </ul>	
<b>Noah Empower— Charity Empowerment</b>  Offering financial support and build platforms	Assist in sustainable development	<ul style="list-style-type: none"> <li>● One Hundred Million Saxauls and Noah's Ark of Alxa SEE</li> </ul>	53 projects in 5 years with an investment of RMB 30.8301 million and benefiting over 12,000 people.
	Care for children suffering from autism	<ul style="list-style-type: none"> <li>● The Harbor of Stars Programs</li> </ul>	
	To support helping the disadvantaged and the national poverty alleviation	<ul style="list-style-type: none"> <li>● National poverty alleviation project in the Tibet-an-inhabited area in Qinghai</li> <li>● Establishment of community foundations</li> <li>● Assisting in the development of poor areas of Xinjiang</li> </ul>	

## Noah Foundation's 2019 Annual Income and Expenditure Account

Programs	Income	Expenditure
Noah CARE—Power of Happiness	2,327,284.45	1,218,435.63
Noah CARE—Desert Mental Journey	980,765.92	104,470.04
Noah CARE—Harbor of Stars	-	228,688
Noah Empower—Poverty Alleviation	533,370.00	764,369.51
Noah Empower—Education for Poverty-stricken Populations	2,038,689.55	2,100,379.90
Noah Empower—Sustainable Development	1,220,000.00	1,200,000.00
Auction and donation on the fifth anniversary of Noah Charity	593,638.00	-
Philanthropic concert to extend care for children suffering from autism	87,816.02	-
Noah Charitable Trust	1,700,000.00	-
Others	64,675.26	-
Noah Charitable Trust	-	1,700,000.00
Contribution to the Community Foundation in Yangpu District	-	50,000.00
Total	9,046,239.20	7,366,343.08

## Noah CARE Self-actualization Charity

In building the largest third-party wealth management company in China, the founders and executives of Noah Holdings realized that, material wealth is not the key to happiness, especially for those having achieved financial freedom. For them, spiritual assets, like family, marriage, children and self-realization, comprise a major part of happiness. These ideas lie deep in Noah's genes, and Noah foundation keeps searching for the keys to spiritual happiness, forging ahead on a path of self-actualization through charity, where few others tread.

### Noah CARE 2019 in total:

- 219 sessions (27 in the year of 2019) in over 50 cities in China
- Benefiting over 27,000 direct participants
- Influencing 100,000 people



Noah CARE charity programs are committed to encouraging the backbone of Chinese society to establish a rich and caring leadership circle that spreads love and care across the world.

Specially-designed Noah CARE happiness courses have been the focus of Noah Foundation and have been mainly concerned with parent-child relationships, marital relationships as well as care for the elderly. We hope to help people find their true selves and the ability to be happy prosperous both inside and out. Furthermore, we wish to help and inspire more people in their search for happiness.

Students of Noah CARE courses, of different ages and with diverse career backgrounds, come together from all corners of the country, to embark on a journey of spiritual growth. Through dancing, sharing and other experiential activities, all of them show their authentic selves, begin sincere communication with others and, as such, are able to break through their psycho-social limitations. Finally, they will gain appreciation and full understanding of the essence of life and happiness. This makes them value the importance of mental health, and helps effectively solve any mental, emotional or physical problems they may face.

### 2020 Plan

#### Brand marketing: core business in line with state policies

- ❖ Upgrading of Noah CARE courses: further improving courses like Power of Happiness and Promoting Well-being and building an ecosystem of Noah CARE Volunteers to promote their joint growth.
- ❖ Developing a Noah CARE—Desert Mental Journey course series: courses are customized and divided by theme to intensify the spiritual impact and emphasize the power of charity; course themes include empowerment, marital relationships, parent-child relationships, corporate team building and charity institutions development.
- ❖ Extending the Harbor of Stars program for autistic children to a broader range: holding summits, charity forums and lectures for greater influence.
- ❖ Holding Charity events on August 18th (i.e. 818): making Noah Charity 818 even more popular.
- ❖ Active engagement in different charity activities and sports to increase the popularity of Noah Charity.



## Noah CARE Self-actualization Trust Courses



### #1 Power of Happiness

“Power of Happiness” is a one-day, entry-level spiritual course concerning perceptual experiences. Through in-class sharing and other interactive experiences, participants’ capacity to love will be examined in a scientific way. Participants will systematically learn to improve communication with family members and friends that they care about, to care for one another appropriately, and to improve overall interaction methods. Finally, the course will guide participants to clarify their own vision of happiness and gain motivation to achieve this happiness within.

Power of Happiness, is one 9 hour-long journey to the origin of happiness. It helps you get detached from daily routines to listen to your inner appeal for happiness, clarify your own driving force for happiness and outline your expectations and action plans.





## #2 Desert Mental Journey

To become more closely acquainted with heaven, earth, all the living creatures and your inner self.

An outdoor activity to train your hearts will make you reflect on life and challenge yourself to be better. During the Desert Mental Journey, participants are required to walk in Mongke Tengri Desert for 66 km over three days, with a heavy load of 10 kg on their backs. During the hike, they have to endure the rigors of living in the wilderness, break out of their living habits and complete the task with their team, pushing the limits of their body and mind. Through this journey, they are raised to a higher level from the inside out.

## #3 Gobi Mental Journey

Personal growth and team breakthroughs to promote charity

Walking an 88 km stretch of Xuanzang's journey in three days, allows participants to experience history and integrated the body and mind in the vastness of the world, finding inner power and overcoming the challenges presented to the body and the soul!





## Noah Empower—Charity Empowerment

Shanghai Noah Charity Foundation uses Noah Empower Charity to assist in programs organized by other charity institutions in care for autistic children, education equality promotion, sustainable development and helping the disadvantaged.



### #1 Supporting education development in poverty-stricken areas

We have made efforts in promoting educational equality in over 20 remote and poor areas in Qinghai, Xinjiang, Guizhou, Gansu, Yunnan and Sichuan. We provide online education, arts education, reading classes, spiritual companionship and financial support to more than 7,000 children in need, and carried out training for teachers and volunteer teaching to allow every child to have access to good education and grow in health and happiness. In 2019, we spent RMB 2,087,379.00 in charity funds promoting education equality.





## #2 Care for children suffering from autism

In April 2015, Noah Charity Foundation launched the Harbor of Stars—Caring for Autistic Children program to provide effective rehabilitation training and community blend-in guidance for autistic children by supporting autism rehabilitation institutions and families of autistic children, thereby improving the mental development of children suffering from autism. As of today, the Foundation has provided over 900 rehabilitation trainers and parents of autistic children with trainings on professional rehabilitation knowledge, supporting more than 4,200 autism-related persons in total. In 2019, a total of RMB 500,000 was spent on the Caring for Autistic Children program.



## #3 National poverty alleviation and community building

We contributed to the national poverty alleviation program in Three Areas and Three Prefectures, through targeted economic poverty-relief projects, such as Love for the Elderly, Love for the Children in pastoral areas in Dari County, Golog Prefecture, Qinghai Province, streetlight building in communities of Yutian County, South Xinjiang and offering necessary vehicles for poverty alleviation projects involving agriculture. Meanwhile, we have been supporting the development of our community, and providing consistent care for Yangpu residents, especially migrant children and elderly persons with no family support.







#### #4 Assist in sustainable ecological development

Since 2010, Noah Charity Foundation has been providing continuous support to Alxa SEE to assist in sustainable development. We engaged in the One Hundred Million Saxauls project of Alxa SEE, purchased produces like millet and honey produced by herdsman and peasants in poor areas and assisted poverty-stricken areas in developing their own feature industries. In the ecological protection of Three-river's Source Area, we funded the publishing of The Easy Guide to Observation of Three-river's Source Area, and held a free photo exhibition featuring the Three-river's Source Area. Together with Alxa SEE, we set up the green peafowl protection foundation to provide continuous support for the Live Noah's Ark in the jointly-managed green peafowl reserve. In 2019, a total of RMB 1.2 million was spent on sustainable development programs.

For more efforts in promoting sustainable Eco-development, see Page 96-97.

#### Family Charitable Trust

On 21st, March, 2019, Noah Holdings revealed its first family charitable trust. Noah Charitable Trust is a trust supported by donors through Shanghai Noah Charity Foundation, and commissioned by the foundation to carry out comprehensive management of charity funds and relevant affairs.

After rounds of communication with related institutions, Noah Family Office designed this charitable trust model, with the foundation, the trust company and Noah Family playing different roles. The trust collects donations from different sources as the initial principal, and puts the profits from investment into promoting continuous charity activities to achieve sustainable inheritance. Through Noah Charitable Trust, we are able to involve other charitable partners in our sustainable charity projects and lower the threshold for them in the future.



## #5 CEIBS Dishuiquan Talent Loan Program

Initiated by China Europe International Business School (CEIBS), Dishuiquan Talent Loan Program, in partnership with alumni enterprises, Noah Holdings and Caifupad, is the first charity financing project for education in China. Committed to helping young students fulfill their dreams of attending CEIBS, the Dishuiquan Talent Loan Program leverages mobile Internet technologies and financial instruments to gather financial support from domestic and overseas alumni and offer low-interest student loans to eligible CEIBS students with outstanding performance.

### ● Innovations:

1. Integration: involving charity, education, finance, mobile internet, social intercourse and human care.
2. Fund-raising: investment funds are mainly provided by CEIBS alumni, and offered to those in need through lending or donations. The capital will be returned without interest in 39 months, and the donations will be kept in the trust and then lent to students.
3. Structure: The property trust and the CEIBS Foundation collect funds with no limits on the amounts of money or number of members. Two separate collections are funneled into the funds trust which grants loans to CEIBS students.
4. Risk-control: CEIBS MBA students are a select group of prospects willing to invest in their own education. They are deeply invested with the desire and ability to repay their loans. The repayment approach was thoughtfully designed to reduce pressure for both full-time students and newly-employed graduates.
5. Charity: The funds collected from senior schoolmates on the mobile internet will be loaned to CEIBS MBA students with interest rates as low as 4%, of which 2% is used for all kinds of channels and audit fees, thus creating a positive cycle to cultivate business elites with a greater sense of social responsibility.

### External Public Interest Partners



中国志愿服务基金会



# GRI Standards Index

## GRI 103 Management Approaches

Material Topics	Disclosed Management Approaches	Goals and Objectives	Policies	Actions Page
Economic Performance	We have well-established governance bodies including independent directors and supervisors, as well as auditing and strategy committees and internal auditing units to effectively manage operation costs and development direction.	Being a leader focusing on wealth and asset management services for high-net-worth individuals in China, we make great efforts to meet their changing wealth allocation needs.	-	17
Market Presence	We set up a remuneration system with different standards and formations for different business lines, and together with normalized management on salary and benefits, we are fulfilling our remuneration concepts and strategies.	Taking on our corporate employee care responsibilities.	Remuneration committee, remuneration management rules	74
Anti-corruption	We strongly support the nationwide campaign against corruption and act in accordance with all laws and regulations including: <i>Law of the People's Republic of China on Anti-money Laundering, The Rules for Anti-money Laundering by Financial Institutions, Administrative Rules for the Reporting by Financial Institutions of Large-value and Suspicious Foreign Exchange Transactions, Measures on the Administration of Client Identity Identification and Materials and Transaction Recording of Financial Institutions.</i>	We take every possible measure to ensure our operations are in compliance with business morals and integrity principles and do our best to eliminate corruption in Noah.	<i>The Company Rules of Anti-Corruption Management, Noah's Code of Business Conduct and Ethics, Anti-bribery Clause, Internal Audit Articles of Noah Holdings, Audit and Accountability Procedures for Noah Group Staff (2016)</i> -- Complaints Mechanism • Noah Holdings Auditing Department • tousu@noahwm.com • 021-8035 8372	37-38
Anti-competitive Behavior				
Energy	In the reported President Xi delivered to the 19th CPC National Congress, "harmonious coexistence between man and nature" was put forth. In order to fulfill corporate responsibility for environmental sustainability, Noah developed the Sustainable Home blueprint to continuously promote a variety of environmental sustainability measures.	To reduce negative influence on the environment during our business operation	3R rule: Reduce / Reuse / Recycle	93
Water				
Employment	To build a strong platform for career development and to be one of the top companies for employee satisfaction.	To be the first choice for top talents ready to enter the world of wealth management.	<i>Promotion and Transfer Rules, Personnel Management Specifications</i>	73
Training and Education	We require our employees to be equipped with professional knowledge and appropriate attitudes and provide services of the best quality.	In addition to specialties and competence, Noah employees should ensure the best financial services for our clients.	Four systems: project, course, trainer and platform Five modules: cultural integration, specialty, management, wealth business and general training	76
Diversity and Equal Opportunity	We value employees' right to work, as well as their freedom of assembly and association, and have formulated staff management regulations and appeal procedures.	A team with great diversity can generate great creativity and innovation.	<i>Sexual Harassment Prevention Policy</i> <i>Personnel Management Specifications</i> -- Complaints Mechanism • Handling procedures for Sexual Harassment complaints	84

Material Topics	Disclosed Management Approaches	Goals and Objectives	Policies	Actions Page
Customer Privacy	Personal information of clients is treated as confidential data. Access control mechanisms and encryption keys are set up for all information systems containing those information, guaranteeing that the data is not disclosed, manipulated, or deleted improperly, to comply with the requirements of the <i>Cyber Security Law of the People's Republic of China</i> .	To ensure the strict privacy of clients' personal data	<i>Noah Data Security Regulations, Noah Information Security Principles and Policies, and ISO 27001 certification</i> -- Complaints Mechanism • Customer Service Email • Customer Service Hotline 400-820-0025	25

## Evaluation of the Management Approach

Material Topics	Evaluation Process	Conclusion Page	Related Adjust-ments
Economic Performance	Independent director; internal auditing and relevant national assessment	17	No
Market Presence	Independent directors, remuneration committee and remuneration management rules	74	No
Anti-corruption	Noah Group auditing department, the auditing committee, and requiring employees to complete online study and testing on the Compliance Manual	37-38	No
Anti-competitive Behavior			
Energy	3R rule: Reduce / Reuse / Recycle	95	No
Water			
Employment	360-degree appraisal, debriefing, and the triennial evaluation for further employment	73	No
Training and Education	Noah CARE Academy, the special training department, and three-phase training	76	No
Diversity and Equal Opportunity	Independent directors, internal audits	86	No
Customer Privacy	<i>National Specifications on Personal Information Security, ISO 27001 certification, special inspections made by the information security department and ADD</i>	25	No

GRI 103 Management Approach	Disclosure Items		Page
	103-1	Explanation of the material topic and its Boundary	43
	103-2	The management approach and its components	108
	103-3	Evaluation of the management approach	108



## GRI 102 General Disclosures

GRI 102: 2016	Disclosure Items	Page number / Comment
Organizational profile		
I02-1	Name of the organization	Noah Holdings Ltd.
I02-2	Activities, brands, products, and services	10
I02-3	Location of headquarters	Shanghai
I02-4	Location of operations	People's Republic of China
I02-5	Ownership and legal form	10
I02-6	Markets served	10
I02-7	Scale of the organization	12, 69
I02-8	Information on employees and other workers	69
I02-9	Supply chain	29
I02-10	Significant changes to the organization and its supply chain	No
I02-11	Precautionary principle or approach	18, 24
I02-12	External initiatives	46
I02-13	Membership of associations	103
Strategy		
I02-14	Statement from senior decision-maker	4-5
Ethics and integrity		
I02-16	Values, principles, standards, and norms of behavior	13, 31, 34, 36
Governance		
I02-18	Governance structure	15
Stakeholder engagement		
I02-40	List of stakeholder groups	45
I02-41	Collective bargaining agreements	No
I02-42	Identifying and selecting stakeholders	45

GRI 102: 2016	Disclosure Items	Page number / Comment
102-43	Approach to stakeholder engagement	45
102-44	Key topics and concerns raised	45
Reporting practice		
102-45	Entities included in the consolidated financial statements	Form 20-F Exhibit 8.1
102-46	Defining report content and topic Boundaries	43
102-47	List of material topics	43
102-48	Restatements of information	No
102-49	Changes in reporting	No
102-50	Reporting period	2019/1/1-12/31
102-51	Date of most recent report	2019/8/31
102-52	Reporting cycle	Annually
102-53	Contact point for questions regarding the report	I
102-54	Claims of reporting in accordance with the GRI Standards	Core
102-55	GRI content index	108
102-56	External assurance	No

Material Topics	Disclosure Items	Page number / Comment
GRI 201: 2016 Economic Performance		
201-1	Direct economic value generated and distributed	17
GRI 202: 2016 Market Presence		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	74
GRI 205: 2016 Anti-corruption		
205-3	Confirmed incidents of corruption and actions taken	None

Material Topics	Disclosure Items	Page number / Comment
GRI 206: 2016 Anti-competitive Behavior		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	None
GRI 302: 2016 Energy		
302-1	Energy consumption within the organization	93
302-3	Energy intensity	93
GRI 303: 2016 Water		
303-1	Water withdrawal by source	93
GRI 401: 2016 Employment		
401-1	New employee hires and employee turnover	70-72
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	84-91
GRI 404: 2016 Training and Education		
404-1	Average hours of training per year per employee	77
GRI 405: 2016 Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	15, 69
GRI 418: 2016 Customer Privacy		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	None

## Financial Services Sector Disclosure

Index	Disclosure Items	Page number
DMA p.42	FS1 Policies with specific environmental and social components applied to business lines	46
	FS2 Procedures for assessing and screening environmental and social risks in business lines	46
	FS7 Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	102



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