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Haitong Securities Official  
Wechat Platform



# 2020 Corporate Social Responsibility Report

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## Message from the Chairman



2020 marked the end of China's 13th Five-Year Plan period. It was also a year that witnessed China complete building a moderately prosperous society in all respects as planned and the Communist Party of China beat its first Centenary Goal. At a time when the new Securities Law was enacted, the reform to establish a registration-based IPO system was introduced on a full scale, and the financial industry opened itself wider to the outside world, Haitong Securities stayed true to the established strategies, worked to serve the development of the real economy with financial services, and captured the major strategic opportunities brought about by the capital market reform and the new development pattern featuring positive interplay between domestic circulation and international circulation. With these steps, we managed to lead the industry in terms of main financial indicators and business indicators.

In 2020, spearheaded by the development tenet of "seeking for steady growth over the long run", we strictly abided by the bottom line for compliance risk control, and effectively ensured that compliance risk management measures were implemented properly. With science and technology playing a leading role, we achieved fruitful results in the fields of IT application innovation, FinTech application, digital transformation, and core technology breakthrough. Digital Haitong 1.0 was basically completed. While actively answering the call of national strategies, we got listed on the STAR Market and wrapped up a number of influential projects, with our ability to serve the real economy improved continuously. In the process, we paid close attention to the climate change-related risks and opportunities, guided and attracted more social capital to invest in green industries, and made new contributions to the global climate change response.

To fulfill our community responsibilities vigorously, we strove to build a "Love in Haitong" poverty alleviation charity brand led by Party building. In 2020, we continued to leverage the expertise and resource advantages of a leading securities firm in the capital market. Intensified efforts went to the "one company to one county" paired assistance, a new round of comprehensive aid in rural areas, and other similar initiatives. All the national-level poor counties paired with us were lifted out of poverty. Faced up with the severe spread of COVID-19, we made everything possible to support those who fought on the front line of pandemic control. With unremitting efforts, we secured a victory in both pandemic response and high-quality development.

Time flies. Looking to 2021, the just-concluded Fifth Plenary Session of the 19th Central Committee of the Communist Party of China outlined a grand blueprint for economic and social development in the 14th Five-Year Plan period, and meanwhile put forward more demanding requirements for the capital market. Against such a backdrop, we will ground our efforts in the new development stage, apply the new development philosophy, and serve the creation of the new development pattern. We will continue to perform our responsibilities in terms of preventing and dissolving financial risks, serving the real economy, creating an enabling environment with FinTech, and consolidating achievements in poverty alleviation. We will make headway towards strengthening Party building, serving the implementation of national strategies, and making progress in fulfilling the Shanghai mission. By doing so, we will embark on a new journey to attain high-quality, sustainable development!

## Message from the CEO



2020 marked the 30th anniversary of the founding of China's capital market. In the year, China further sped up its pace in opening up despite the continued impact of the COVID-19 pandemic. Under this background, Haitong Securities adhered to the strategy of creating new opportunities out of crises and opening up new prospects in changing circumstances. Seizing the development opportunities brought about by the deepened reform of the capital market, we kept implementing our blueprint thoroughly as usual. Consequently, we continued to lead the industry in terms of major business indicators.

In 2020, we further improved our compliance risk management system, thus rated as Grade AA under Category A in classified evaluation of securities companies. We, therefore, remained at the forefront of the industry in terms of both comprehensive competitiveness and compliance risk management capability. To grasp the market opportunity presented by the full-scale implementation of the registration-based IPO system, we fully leveraged our superior reserve of financial expertise to provide sci-tech innovation firms and micro, small, and medium enterprises with a diversity of financial solutions. In the year, we raised funds of RMB54,002 million through an IPO on the Star market, a figure ranking No.1 among all market players. At the same time, we increased investment in COVID-19 bonds and green bonds, and launched ESG-themed products, with an aim to practice ESG investment concepts with concrete efforts. Besides, we worked harder to identify climate change-related risks and opportunities, and did our part to help China achieve its carbon neutrality by 2060, by taking such measures as issuance of green bonds and energy conservation/emission reduction in business development.

While seeking high-quality development, we also actively fulfilled our responsibilities for employees and local communities. As a company caring for career development of employees, we relied on the online platform of Haitong Wealth Management Academy to offer new employees training sessions through the "Sailing Plan" and cultivate internal trainers through the "Sunflower Plan". In 2020, 360,000 training attendances were counted across the Company. Meanwhile, we made further progress towards targeted poverty alleviation through finance, carrying out a series of anti-poverty public welfare projects and large-scale public benefit activities called "Haitong · Love". As at 2020, we and our subsidiaries paired up with 18 poverty-stricken counties and seven poor villages to offer them assistance. We directly invested over RMB73 million in poverty alleviation and more than RMB24 million in pandemic control, so that the concept of "Love in Haitong" took root in the hearts of people.

The year 2021 is of particular importance to China as it pursues the modernization drive. It also marks the 100th anniversary of the founding of the Communist Party of China and the beginning of the 14th Five-Year Plan period. Looking to the new decade, we will bear in mind the goals set out by the 14th Five-Year Plan, ground our efforts in the new development stage, apply the new development philosophy, and serve the new development pattern. We will spare no effort to perform our social responsibilities, create common value for our stakeholders including shareholders, customers, employees and communities, and build ourselves into one of China's top-notch investment banks with international influence!

# About Haitong Securities

## Company profile



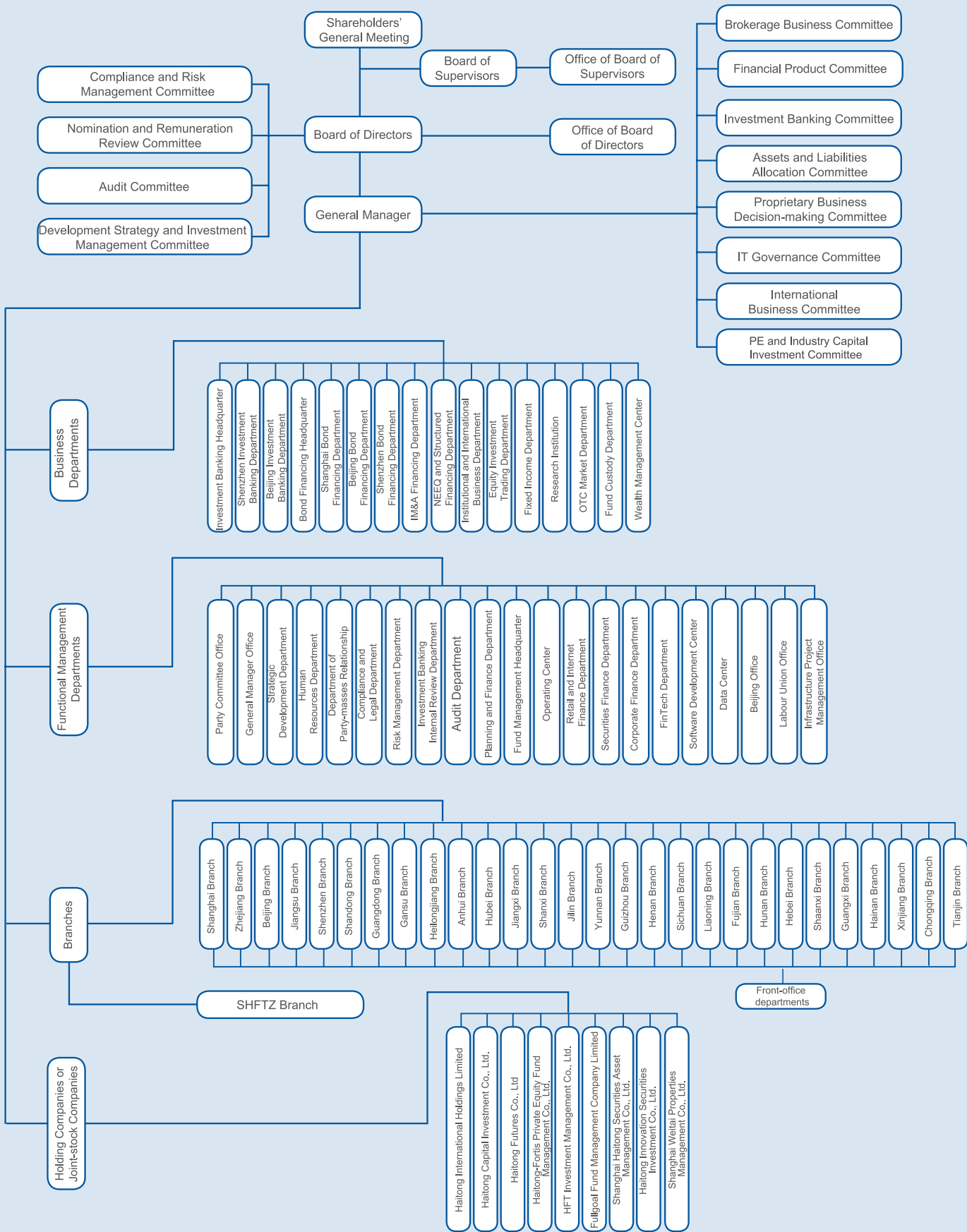
## Basic information

Since its establishment in 1988, Haitong Securities Co., Ltd. (hereinafter referred to as “Haitong Securities” or “the Company”) has always followed the principles of “pragmatism, development, prudence and excellence” operation and conducted risk control under the philosophy of “being prudent and even conservative” Over more than three decades of steady development, Haitong Securities remained the only existing large-sized securities company in operation that was not renamed and did not receive capital injection from the government or become the target entity of any acquisition or reorganization among the oldest securities companies established in the 1980s in China.

### Company Overview

Name in Chinese	海通证券股份有限公司
Name in English	Haitong Securities Co., Ltd.
Headquarters	No.689 Guangdong Road, Shanghai, China
Principal holding subsidiaries or joint-stock companies	HFT Investment Management, Fullgoal Fund, Haitong-Fortis PE, Haitong Futures, Haitong International Holdings, Haitong Capital, Haitong Innovation Securities, HT Asset Management, and Shanghai Weitai Properties
Total assets	RMB694.073 billion
Operating income	RMB38.220 billion
Number of employees	11,282 persons
Number of customers	Nearly 18 million persons

## Organizational structure





## Business layout

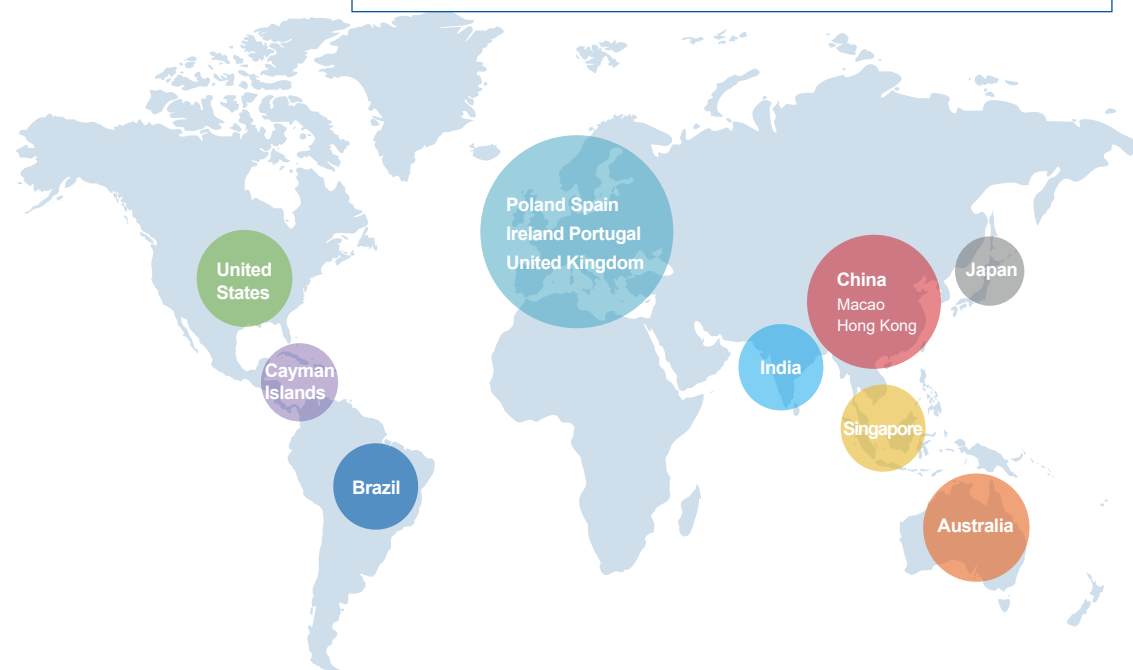
After tapping deep into the industry for many years, Haitong Securities has finally formed a group-wide, global development strategy, and virtually built itself into a financial service group covering a host of business fields such as securities and futures brokerage, investment banking, proprietary trading, asset management, private equity investment, alternative investment, finance lease, and overseas banks.

“Sticking to the established strategies and making steady progress” is an important lesson Haitong Securities has learned from its explorations for international presence. In the face of the complicated and ever-changing economic and political landscape abroad, the Company upholds its global development strategy of “maintaining a firm footing in Asia Pacific while expanding business presence to the entire world”. Through the acquisition and integration of Haitong International Securities, Haitong UniTrust, and Haitong Bank S.A., and the establishment of a branch in China (Shanghai) Pilot Free Trade Zone, it has put in place an industry-leading global business platform covering all fronts and multiple regions. The Company is dedicated to grasping the increasing opportunities that arise from cross-border business to meet customers’ needs and make the Group more influential in the international community.

### Global Presence of Haitong Securities

The Group business network covers six international financial centers in New York, London, Tokyo, Singapore, Hong Kong, and Shanghai.

As at the end of 2020, the Group had **343** securities and futures branchesspanning across **30** provinces, municipalities, and autonomous regions in the PRC



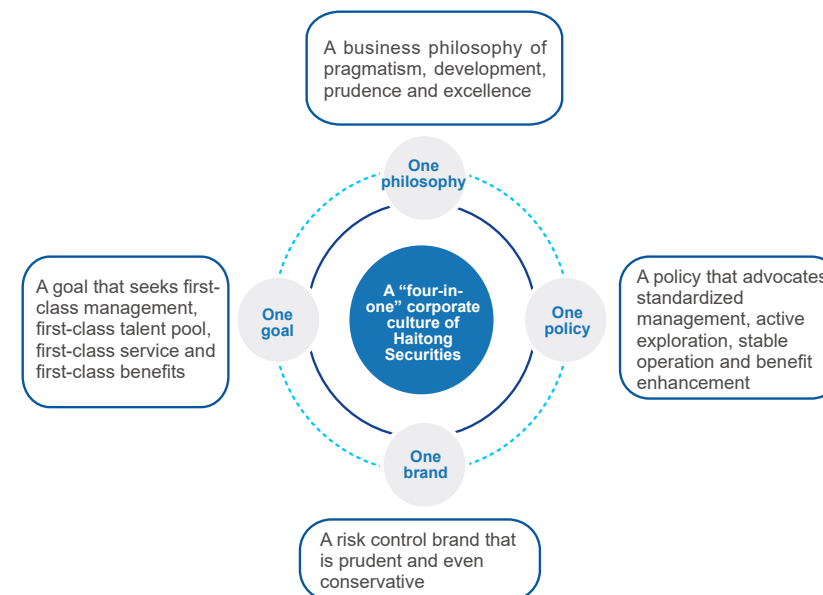
Besides, it also established branches or subsidiaries in **14** countries and regions across **5** continents (Asia, Europe, North America, South America, and Oceania).

## Promoting the building of an industry culture

In 2019, Securities Association of China released the *Proposal for Cultural Building in the Securities Industry*, advocating the “formation of ‘a loyal, professional, and practical’ cultural deposit and a cultural philosophy of compliance, integrity, professionalism, and soundness”. Haitong Securities lost no time in establishing a leading group on industry culture development. It took the lead in holding a morale-boosting meeting in the industry, studied and formulated the supporting rules and improvement plan for corporate culture development, and devised specific promotion plans on an annual basis, with a view to turning cultural development into a regular practice of the securities industry.



Haitong Securities convened a morale-boosting meeting for industry culture development



The Company has formed a “four-in-one” corporate culture, which encompasses a business philosophy ( pragmatism, development, prudence and excellence); a risk control brand (prudent and even conservative); a goal (first-class management, first-class talent pool, first-class service and first-class benefits); and a policy (standardized management, active exploration, stable operation and benefit enhancement).

The Company clearly puts forward a work goal of “getting refined internally and externally to engage in corporate and industry culture development over the long run”. Spearheaded by an industry culture concept of “compliance, integrity, professionalism and prudence”, it holds the banner high, unifies people together, trains new hires, and displays a good corporate image, so as to make headway with cultural development.

### “Hold the banner high”

The Party Committee of the Company plays a steering role, manages the overall situation, and ensures implementation. Priority is given to exploring and putting in place the modern enterprise system with Chinese characteristics. The Company has incorporated the industry culture development into its Articles of Association, strategies and assessments.

### “Unify people together”

Committed to the principle of integrating Party building with business development, the Company continues to consolidate the Party building publicity as a stronghold. Combined with major tasks such as poverty alleviation, public welfare and the fight against virus as well as important time nodes like the national day and company anniversary, it tries to strengthen the cultural identity among employees by rolling out project-based activities and publicizing specific cases.

### “Train new hires”

Guided by the compliance culture of “compliance by everyone proactively”, the Company conducts extensive compliance training programs. Adhering to the principle of “executives subject to the Party leadership”, the Company exercises a rigid control over political stance, character and integrity to make sure employees can act responsibly and accomplish much, and cultivates its role models.

### “Display a good corporate image”

The Company manages its official website, official Weibo account, WeChat Official Account called “Haitong Securities Party Building”, and Bilibili video account known as “Youth Haitong” with dedicated efforts to display the dynamics in industry culture development, and pool together various types of media for internal and external publicity.



# CSR Philosophy and Management

## CSR philosophy

Haitong Securities adheres to the philosophy of “pragmatism, development, prudence and excellence” operation, accurately positions itself as a listed company, financial corporation and corporate citizen, and endeavors to achieve high-quality development, chart a promising business blueprint, and devote itself to building a harmonious society, thus creating value for shareholders, customers, employees and the larger society.



As a listed company, the Company upholds the operating philosophy of “being prudent and even conservative”, enhances risk and compliance management, leverages on the FinTech to optimize its operations system, and addresses the concerns and meets the expectations of investors and regulators.



As a financial corporation, the Company brings its business back to the original mission of financial services and harnesses its strengths in principal businesses to serve the real economy and to address climate change. It fulfills its responsibility as a financial institution to provide customers with quality products and services, charting a promising business blueprint with financial services.

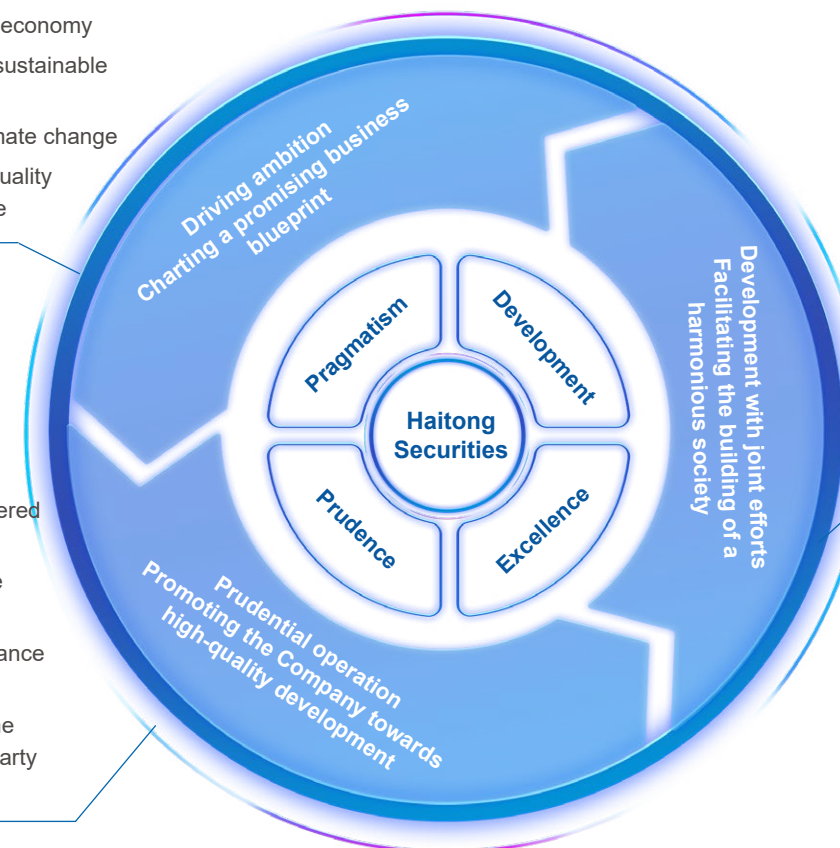


As a corporate citizen, the Company persistently performs its responsibility for employees and communities in terms of employment promotion, staff development, targeted poverty alleviation, and rural revitalization, contributing to the building of a harmonious society.

## CSR Model of Haitong Securities

- Serving the real economy
- Developing the sustainable finance
- Dealing with climate change
- Providing high-quality customer service

- FinTech-empowered development
- Sound corporate governance
- Risk and compliance management
- Strengthening the leading role of Party building



- Fostering high-caliber talent
- Consolidating poverty alleviation results
- Dedication to public welfare

## CSR management

### CSR management

The Company vigorously identifies and manages the impacts caused by its decisions and operating activities. It keeps improving the CSR management framework, and ensures the continuity and effectiveness of CSR work by embedding its CSR philosophy into the development strategy and day-to-day operations. In doing so, it creates value for various stakeholders.

### CSR Management Structure of Haitong Securities



#### Decision-making support

The Board of Directors gets involved in the deliberation and decision-making process of major CSR matters at the Company. It supervises the company-wide CSR work and takes an overall responsibility for it.



#### Implementation

The Office of the Board of Directors coordinates relevant functions, business departments, branches, and subsidiaries to get the specific CSR work done properly.



#### Performance management

The Company introduces an ESG quantitative performance management system, and sets up an online gathering and analysis of ESG data, to realize the efficient management of ESG performance.

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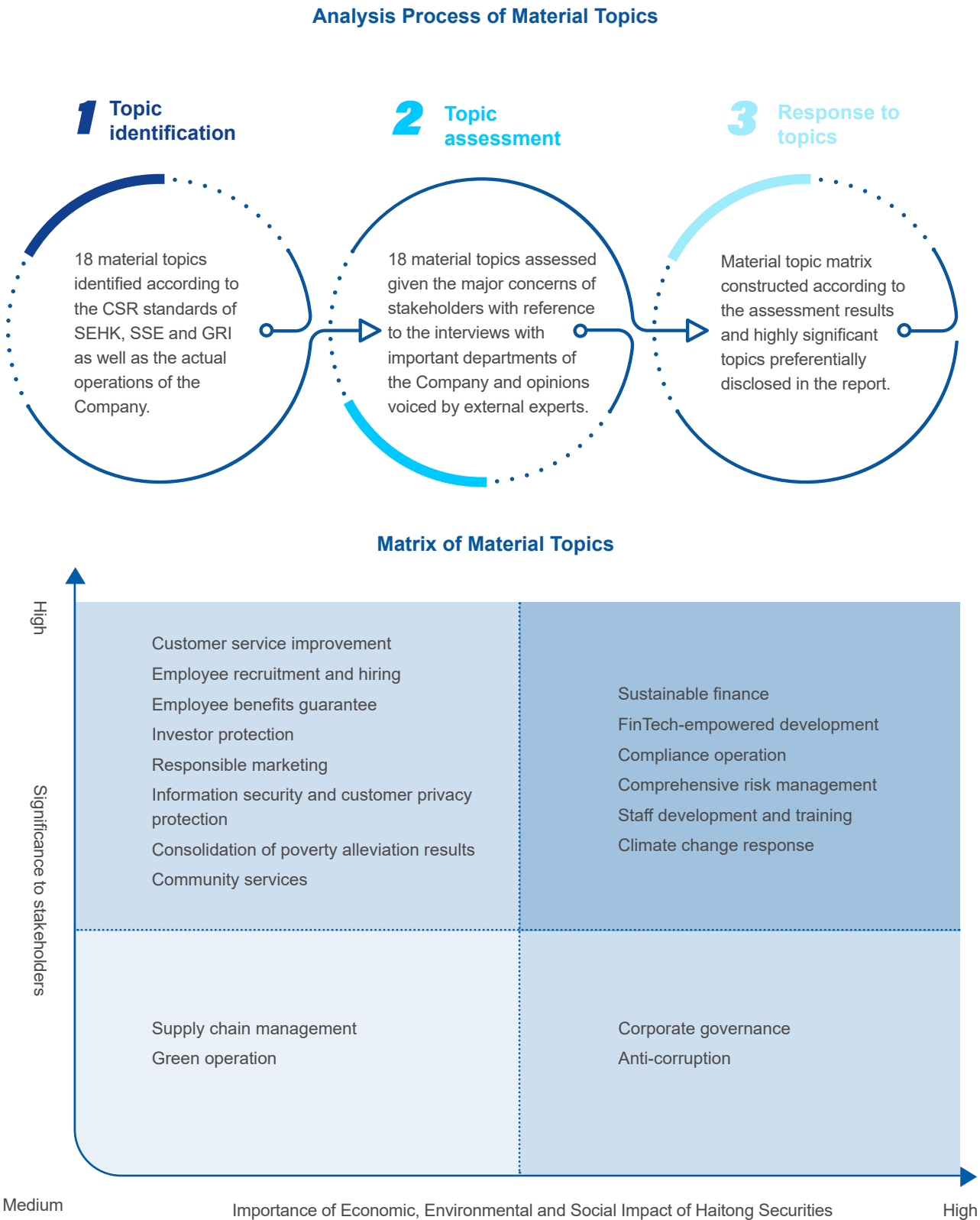
Communication with stakeholders

Based on its own business features and operation characteristics and drawing on the advanced experience and practices of peers, Haitong Securities has identified its main stakeholders, including shareholders, customers, employees, government and regulators, suppliers and partners, and community and the public. The Company responds actively to the concerns of its stakeholders using various channels and methods.

Expectations of Stakeholders and Responses		
Key stakeholders	Concerned topics	Communications and response
 Shareholders and investors	<ul style="list-style-type: none"><li>Corporate governance</li><li>Comprehensive risk management</li><li>Compliant operation</li><li>Anti-corruption</li></ul>	<ul style="list-style-type: none"><li>Shareholders' General Meeting</li><li>Regular information disclosure</li><li>Communication with investors</li><li>Establishing a comprehensive risk management system</li><li>Compliance management</li><li>Anti-corruption system</li></ul>
 Customers	<ul style="list-style-type: none"><li>FinTech-empowered development</li><li>Customer service improvement</li><li>Investor protection</li><li>Information security and customer privacy protection</li><li>Responsible marketing</li></ul>	<ul style="list-style-type: none"><li>e-HaitongCai APP</li><li>Customer inquiries and complaints</li><li>Customer satisfaction survey</li><li>Investor education activities</li><li>Eligibility management</li><li>Customer privacy protection system</li></ul>
 Employees	<ul style="list-style-type: none"><li>Employee recruitment and employment</li><li>Employee development and training</li><li>Employee benefits guarantee</li></ul>	<ul style="list-style-type: none"><li>Remuneration and benefits system</li><li>Staff training plan</li><li>Haitong Wealth Management Academy</li><li>Employee recreational activities</li></ul>
 Government and regulators	<ul style="list-style-type: none"><li>Comprehensive risk management</li><li>Compliant operation</li><li>Investor protection</li><li>Climate change response</li></ul>	<ul style="list-style-type: none"><li>Regular information disclosure</li><li>Cooperation in regulators' inspection</li><li>Participation in government survey</li><li>Facilitation of listing on STAR Market</li><li>Identification of climate change risk</li></ul>
 Suppliers and partners	<ul style="list-style-type: none"><li>Supply chain management</li><li>Anti-corruption</li></ul>	<ul style="list-style-type: none"><li>Cooperation and communication</li><li>Bidding activities</li><li>Anti-commercial bribery</li></ul>
 Community and the public	<ul style="list-style-type: none"><li>Sustainable finance</li><li>Consolidation of poverty alleviation results</li><li>Community services</li><li>Climate change response</li><li>Green operation</li></ul>	<ul style="list-style-type: none"><li>Responsible investment</li><li>Aid to poor districts/counties</li><li>"Love in Haitong" series public welfare program</li><li>Employee volunteer services</li><li>Green office</li></ul>

Identification and analysis of material topics

To better identify and assess the importance of CSR topics, the Company, in addition to the questionnaires distributed to stakeholders in the previous year, took a step further to identify, assess and screen the CSR topics. The recognized material topics crucial to the Company and its stakeholders were disclosed and handled preferentially.



# Making Strides in High-quality Development through Stable Operation

The capital market has a butterfly effect on financial operation, and listed companies are the cornerstone of the capital market. Improving the quality of listed companies is an inherent requirement for advancing the healthy development of the capital market and an important part of the efforts to accelerate the improvement of the socialist market economy system in the new era.

——The Opinions of the State Council on Further Improving the Quality of Listed Companies in October 2020

It is necessary to strengthen the practice of regulatory technology applications, build up the digital supervisory capabilities by actively using such technologies as big data, AI, cloud computing, and blockchain, continuously enhance the financial risk prevention capabilities, and enhance the professionalism, uniformity and penetration of regulatory practice. FinTech is expected to do its due part to win the critical battle against financial risk control and facilitate the resumption of work and production.

——The PBOC FinTech Committee on its 1st meeting for 2020 convened in May 2020

- The Company was rated as **Grade AA under Category A** in classified evaluation of securities companies in 2020;
- Users of the e-HaitongCai mobile platform exceeded **38** million, and the monthly active users of the app approached **4.8** million;
- The "Haitong AML Compliance" WeChat Official Account attracted more than **11,000** followers, and posted nearly **600** AML compliance-themed messages of all sorts.





## Be a pioneer in the digital transformation of the finance industry

As information technologies such as AI, big data, cloud computing, and the Internet of Things (IoT) are integrated with financial services at great depth, FinTech has gradually become a new engine that promotes the finance industry towards transformation and upgrading, thus profoundly affecting the operation and management models of traditional financial institutions and giving rise to new forms of financial services constantly.

Haitong Securities, as a "first mover" in the digital transformation drive of the finance industry, has always been at the forefront of the digital wave. Relying on the comprehensive application of emerging technologies such as AI, big data, and blockchain, the Company follows the direction of intelligent development, takes the big data platform as its core, and bases its development on infrastructure construction, so as to seek FinTech innovation in exchange for high-quality and efficient provision of financial service.

### Digital Transformation of Haitong Securities

#### Building the "Smart Brain" of Haitong

Oriented to smart development

Focused on big data platform

"1+3+N" Big Data Strategy

Based on infrastructure development

Implementing the financial cloud strategy with vigor to pursue overall transformation of traditional IT infrastructure.

The "three data centers in two cities" have been completed to further improve the disaster recovery system and further boost the business continuity management of IT systems.

- In 2020, the parent company of Haitong Securities invested a total of **875** million in information technology.
- The Applied Research on Smart Semantic Analysis of Financial Documents won the "Excellence Prize" at the selection of the 7th Securities and Futures Technology Award winners.
- The Smart Data Retrieval Engine Research and Application Project was awarded the Second Prize for 2019 Excellent Research Projects of Securities and Futures FinTech Research and Development Center (Shenzhen).
- The Haitong Securities Hybrid Financial Cloud Platform was granted the Third Prize under 2018-2019 Excellent Research Results Achieved by Shanghai Finance Industry in its Reform and Development.

## Boosting smart operation with FinTech

The Company actively explores the application of new technologies such as AI and big data to promote the migration towards online, automated, and intelligent operation. Relying on smart retail, smart operation, smart risk control, smart search, and smart document processing, it strives to improve its internal operation efficiency, optimize customer experiences, and advance the high-quality development of FinTech.

### Major Moves Taken by Haitong Securities towards Intelligent Operation

#### 2 Smart operation

The robotic process automation technology has been comprehensively used to transform and automate more than 200 business processes. The 24×7×365 availability of high-quality operations greatly improves the efficiency of automated processing.

#### 3 Smart risk control

Machine learning, knowledge graph, and other technologies are employed to develop and apply many functions including abnormal transaction detection, bond-related credit risk forewarning, and public opinion monitoring.

#### 4 Smart search

To fast find what users want from the massive information and data, intelligent information/data retrieval functions are developed, through which one can effortlessly retrieve information through simple natural language input.

#### 1 Smart retail

A smart retail system is constructed to cover all fronts. Capable of providing such features as smart information, stock selection, billing, market marking, customer service, and precision marketing, it extends reach to tens of millions of users.

#### 5 Smart document processing

With the natural language processing and semantic analysis technologies, machines can understand financial documents structurally and profoundly, which makes it possible to explore the intelligent review, retrieval, compilation and other operations of documents.

### Making Every Effort to Ensure the Stable Operation of Information Systems during the Pandemic Response

Facing the severe situation of the COVID-19 prevention and control, Haitong Securities in 2020 moved fast to establish an emergency response mechanism and went all out to ensure the smooth launch and stable operation of the information systems. The Company formulated a plan for working from home. On the premise of secure management and control, it opened up an access path that featured "VPN – desktop cloud – bastion host – back-office business system", in a bid to provide remote support for the staff of business departments, especially those in the Hubei branch. Besides, a video teleconferencing system was developed independently by the Company to greatly facilitate communication at work. The RPA technology made it possible to gather information on pandemic control automatically. A COVID-19 control assistant was added to the e-HaitongCai app, which could provide pandemic-related advisory services in real time, covering pandemic dynamics, COVID-19 maps, and appointments with renowned doctors, online pharmacies, robot-enabled customer service, and other aspects.

By virtue of its intelligent office collaboration system, the Company during the period of pandemic response made sure over 4,000 persons worked online every day averagely, and convened more than 2,500 video conferences totaling about 3,000 hours, both of which effectively guaranteed collaborated and efficient operation.





## Haitong Securities Put Its First Blockchain-based Electronic Deposit Certificate System into Operation Successfully

In 2020, the Haitong Securities Financial Blockchain Platform completed building the blockchain as a service (BaaS) basic platform and putting the first blockchain-based electronic deposit certificate app online. With about 8,000 deals migrated to the chain per day, the total number of deals on the chain reached over 1 million. Thanks to the platform, the Company recorded the handling processes of some businesses in a credible and reliable way and realized third-party voucher preservation.

At the same time, the Company also actively sought to cooperate with different institutions. It successively got involved in the research of FinTech application, the governance of the blockchain industry, and the formulation and promotion of application standards, and other fields of work, in an effort to contribute to the application and development of blockchain in the industry.

The Haitong Securities Financial Blockchain Platform was rated as the Excellent Yuning Project by Cloud Application Branch of China Computer Users Association in 2020 and an exemplary case in the application of digital technologies under China's drive towards digitalized transformation and innovation in the year.



## Optimizing customer experiences with Internet finance

Riding on the development trend of the digital economy, the Company uses technological means to provide more professional services, and build up service capabilities fit for the digital era. It continues to optimize customer experiences and create more value for them. Since 2014, the Company has kept boosting its independent research and development (R&D) capabilities, and improving a complete set of Internet-based integrated services with e-HaitongCai as its core brand, in a bid to provide customers and investors with intelligent, efficient and professional one-stop services.

In 2020, the Company accelerated the construction of the Internet platform and its ecosystem. The e-HaitongCai app released 50 versions and 13 PC versions throughout the year.

- Adding new investment methods such as NEEQ subscription and the registration-based IPO system on ChiNext so as to enhance comprehensive financial service capabilities;
- Improving the scenario-based service experiences, launching scenario-based services such as a special zone for securities margin trading, and enhancing the immerse user experiences;
- Improving the matrix of intelligent products and services, and launching intelligent services such as intelligent stock selection so as to improve investment efficiency of customers;
- Unveiling the level-2 distinctive indicators, speedy updates to stock quotations, securities trading pal, and other characteristic functions to provide customers with a full package of more professional and timely services that cover market quotations, transactions, information, investor education, and other aspects of content;
- Launching the Mac version of stock quotation apps to expand trading channels.

Users of the e-HaitongCai mobile platform exceeded

38 million

The monthly active users of the app approached

4.8 million

Per capita daily using time stood at

42 minutes

There was an increase in both the number of customers in each asset range above

RMB 500,000 and the amount of assets owned by them

## Allowing innovation to drive the development of the securities industry

In 2020, the Company continued to promote the Haitong FinTech Partnership Program – OCEAN, and worked with its partners to build a technological ecosystem where they could achieve and put into use FinTech research results. At the same time, it actively participated in FinTech exchanges with a view to helping boost the technological strength of the finance industry.



### Working with Partners to Explore FinTech Application

In 2020, the Company and Beijing Paoding Technology Limited Company (P.A.I Tech) jointly developed a Natural Language Processing (NLP)-based app called “the Smart Semantic Analysis of Financial Documents”, which realized the automatic review and check of investment banking documents, a design that could further improve the quality and efficiency of financial documents, reduce the Company's legal risks, and avoid unnecessary losses caused by clerical errors.

As the first of its kind across the industry, the app since its debut has helped review more than 5,000 documents and over 2 million data items, saving 60% of manual review time. It presents prospects for extensive application in many scenarios such as smart review, smart investment and research, smart manuscripts editing, and smart writing. In the future, its coverage will be gradually expanded to the entire ecological chain of financial document processing (writing, review, regulatory review, and reading analysis).

The Company leads the industry in the field of intelligent processing of financial documents. It has won a succession of awards, which included the only First Prize for 2018 Research Projects of Securities and Futures FinTech Research and Development Center (Shenzhen), the Second Prize for 2019 Excellent Research Projects of Securities and Futures FinTech Research and Development Center (Shenzhen), the Third Prize of the 2020 “Struggle Cup” Shanghai Youth Financial Skills Competition, and the 7th Science and Technology Award for the Securities and Futures Industry.



### Haitong Securities Made Its Debut on China FinTech Industry Summit

The 2020 3rd China FinTech Industry Summit kicked off at the Suzhou International Expo Center. Themed on “Empowering Finance with Technology”, the event was intended to propel the industry towards “professional, international, platform-based and ecological development”. Large-scale financial institutions and leading FinTech companies in China were invited to attend the summit, where they fully displayed the latest explorations and practices with FinTech. Haitong Securities made its debut at the serial event. Centered on its pathway to digital transformation, the Company demonstrated its technological development strategy and FinTech innovation and application results.

Haitong Securities set up a two-part booth at the summit: a display of results achieved in the customer-empowered efforts and a display of FinTech achievements. The Haitong Securities Hybrid Financial Cloud Platform was included as a typical case in the *Collection of Innovative Practices in FinTech Application*, an R&D publication released by the summit.



Attending China FinTech Industry Summit for the first time



Exhibition booth of Haitong Securities



## Sound corporate governance Improving governance structure

As a company listed in both China's mainland and Hong Kong, Haitong Securities, pursuant to the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, and other applicable documents, has improved its corporate governance structure to ensure the Shareholders' General Meeting, the Board of Directors, the Board of Supervisors and the special committees of the Board of Directors can perform their respective duties and operate effectively. In doing so, the Company has managed to achieve operational compliance and stability as well as sustained and healthy development.

To implement the requirements set out by the new *Securities Law* thoroughly, the Company in 2020 examined its relevant corporate governance rules, revised the *Articles of Association* and related corporate governance documents based on actual conditions, and further specified the requirements for changes in shareholder holdings and public solicitation of shareholder rights, all of which were aimed to seek high-quality development on the premise of operational compliance.

As the Company keeps pressing ahead with its strategies for group-wide, international, and IT-based development, related party transactions have become increasingly important as a key starting point for it to realize the integration of resources available within and outside the Group as well as the strategic coordination across the board. In 2020, Haitong Securities formulated the *Implementation Rules for the Management of Related Party (Connected) Transactions of Haitong Securities Co., Ltd. (Trial)*, which outlined the organizational structure of related party transaction management, specific implementation procedures, statistics and submission of transaction information, and other aspects so as to meet the more demanding requirements the Company put forth for related party transaction management in the process of adjusting its equity structure and seeking international operation.

### Composition of the Board of Directors and Convening of Relevant Meetings



## High-quality information disclosure

In strict accordance with regulatory requirements, Haitong Securities has continued to improve its information disclosure mechanism to exercise a rigid control over every link of information disclosure and get the information disclosure done in a faithful, normative, professional, and valid way. By doing so, the Company is aimed to ensure investors can have timely and equal access to accurate information and safeguard the legitimate rights and interests of investors effectively.

In 2020, the Company performed the information disclosure obligations due to listed companies in earnest, by disclosing 78 extraordinary announcements for A-shares and 190 announcements and notices for H-shares, and compiling and disclosing the 2019 annual report, the interim and quarterly reports of 2020, and other regular reports. In the process, it further improved the corporate transparency and ensured the timely, authentic, accurate, complete and impartial disclosure of corporate information.



By 2020, Haitong Securities has been rated "A" for its information disclosure by Shanghai Stock Exchange (SSE) for five consecutive years.

## Strengthening investor communication

Protecting the legitimate rights and interests of investors is a recurring theme of the efforts to promote the capital market towards sound development. The Company always highly values investor relations management. By erecting bridges that connect itself with investors, it enhances investors' understanding and recognition of the Company, and maintains a good corporate image in the capital market.



In 2020, the Company was honored the "Investor Relations Gold Award of 2019 for An Outstanding IR Enterprise"

In 2020, to overcome the adverse impact of COVID-19, Haitong Securities made full use of online channels to communicate with investors, by promptly responding to market concerns and listening to any feedback. Specifically, the Company strengthened communication with domestic and overseas investors through the investor hotline, online interaction, e-mail, teleconference, onsite receptions, results briefing, investor conference, roadshows, and SSE E-interactive platform, among other channels.

### Ways to Communicate with Investors in 2020

- Held the online release conference of the annual report and interim results, with more than 200 investors and analysts attending the conference;
- Convened the online results briefing and cash dividends briefing through the online platform of SSE;
- Organized 20 onsite surveys, hosted 48 teleconferences, and received 280 visits of investors, analysts, and researchers;
- Attended the annual investor conferences from mainstream institutions at home and abroad such as UBS, CITIC Securities, and China Securities, and the collective reception day for investors of listed companies in Shanghai;
- Answered investors' questions via the investor hotline and the SSE E-interactive platform.



## Risk and compliance management

### Comprehensive risk management system

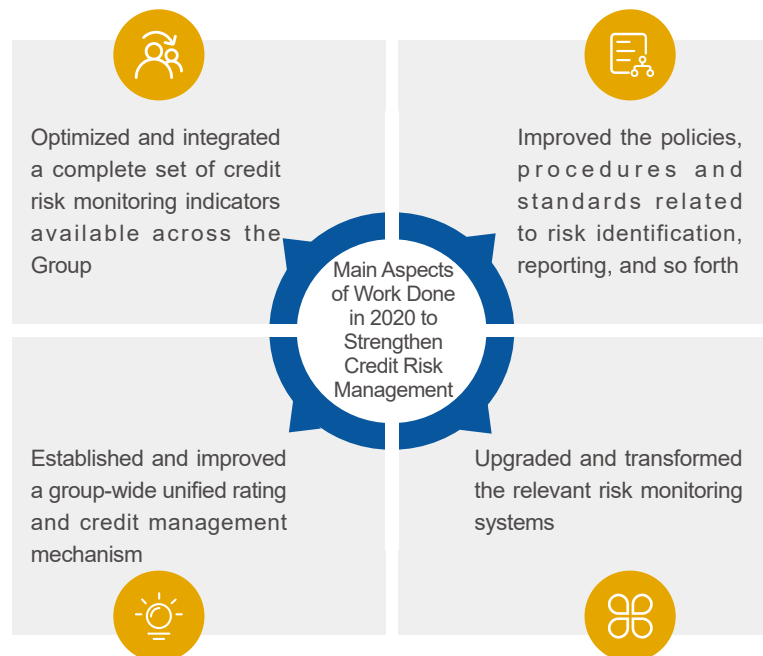
Haitong Security attaches great importance to forestalling financial risks. It has always adhered to the risk management philosophy of "being prudent and even conservative" and the "prudent" risk appetite. In accordance with the *Standards for Comprehensive Risk Management of Securities Companies* and other regulatory requirements, the Company has put in place a complete set of policies with the *Comprehensive Risk Management Measure of Haitong Securities Co., Ltd.* at the core that cover entities at all levels, various types of risk, different business lines, and diverse control factors. It can be said that the Company has kept improving the comprehensive risk management system in terms of full coverage, monitoring, measurement, analysis and response, with an aim to improve the professional level of risk management practice.

The Company has created a clear organizational structure of risk management that consists of the Board of Directors, the Board of Supervisors, the Management, Chief Risk Officer, departments involved in comprehensive risk management, business operation and management departments, branches and subsidiaries. The Company evaluates, measures, monitors, responds to, and reports on the main risks in day-to-day operation and management, including compliance risk, money laundering and terrorist financing risks, credit risk, market risk, operational risk, liquidity risk, and reputational risk. It has strengthened the prevention, real-time control and follow-up management of various risks by means of assessment, examination and auditing.

To strengthen the group-wide risk control and promote the full coverage of risk management practice, the Company in 2020 further improved the information technology (IT) system framework based on comprehensive risk management, and explored the application of financial technology (FinTech) in the field of risk management. Relying on big data technology and starting from such dimensions as same customer management, related customer mining, public opinion monitoring, and early warning, it realized a “customer-centric” full-view presentation of risk information, in a bid to guard against risks on all fronts.

### Pursuing a Multi-pronged Approach to Strengthen Credit Risk Management

In terms of credit risk management, the Company formulated the *Measures for Uniform Credit Management of Corporate Customers of Haitong Securities Co., Ltd. (Group) (Trial)* and the *Standards for Uniform Credit Management of Corporate Customers of Haitong Securities Co., Ltd. (Group)*, and revised the *Management Measures for Credit Risk of Haitong Securities Co., Ltd. (Group)*, which stipulated the entire process of customer credit risk management (risk identification, evaluation, monitoring, response, and so forth) to further strengthen customer risk management.



The Company has created an independent and prudent internal rating model to assess the credit default risk of customers. Given that environmental, social and governance (ESG) factors have a certain impact on the credit qualifications of customers, it also incorporates the ESG factors into its internal rating model. When assessing industry-specific risks, the Company will assess the credit risks of enterprises in the energy and other industries with higher ESG risks than others more prudentially. When assessing individual risks, it will take the corporate governance level of an enterprise as an important criterion, so as to minimize the credit risks caused by ESG factors.

As to risk management training, the Risk Management Department formulated the *Risk Management Training Plan of the Group for 2020*. According to the plan, online and offline means were used to give training sessions on many domains such as group risk, market risk, credit risk, and operational risk to employees of the parent company, branches, and subsidiaries, with a view to comprehensively raising their risk management awareness and literacy.

## Compliance management system

The Company has kept improving the compliance management systems and mechanisms in strict accordance with the *Measures for the Compliance Management of Securities Companies and Securities Investment Fund Management Companies*, the *Guidelines for Implementation of Compliance Management of Securities Companies*, and other documents. As per the new *Securities Law* and regulatory requirements of the industry, the Company in 2020 released the *Compliance Manual of Haitong Securities Co., Ltd. (Version 2020)*, the *Measures for Compliance Accountability of Haitong Securities Co., Ltd.*, and other relevant policies.

In 2020, the Company further enhanced the effectiveness of compliance management with FinTech, wrapped up the development of the “group-wide central control room system” (the second phase), upgraded the group-wide information isolation wall system, and increased the joint operation of the lists of restrictive customers under the aforesaid system. At the same time, it also upgraded and improved three major systems, that is, the anti-money laundering (AML) system, the employee behavior monitoring system, and the abnormal customer transaction monitoring system, and further explored how to promote the visualized application of compliance management.

### Carrying out Compliance Training and Fostering a Compliance Culture

The Company upholds a culture of compliance by everyone whenever and wherever possible. In 2020, the Company conducted compliance training and publicity activities to instill a compliance culture in all employees. Centered on the new *Security Law* and *Civil Code*, these activities unfolded around such themes as employee behavior, suitability, and anti-money laundering through onsite training, special analysis, weekly briefing, handbook guidance, and other methods.

In 2020, the Company compiled 50 issues of the *Weekly Report on Financial Supervision Dynamics* and 4 issues of the *Selected Documents for Compliance Learning* in total.

## Anti-money laundering

The Company has in place a sound system of AML policies and systems, effectively performs its AML obligations, and fulfills its AML obligations as a financial institution in accordance with the *Anti-money Laundering Law*, the *Measures for Management of Customer Identification and Retention of Customer Identity and Transaction Records by Financial Institutions*, and the *Administrative Rules for the Reporting of Large Value and Suspicious Transactions by Financial Institutions*, among other applicable documents.

In 2020, the Company formulated the *Implementation Rules for the Namelist-based Management of Anti-Money Laundering and Counter-Terrorist Financing Monitoring* and the *Guidelines for the Namelist-based Screening Management for the Anti-Money Laundering and Counter-Terrorist Financing Monitoring*, to further refine the requirements for the management of the AML monitoring namelist screening and standardize the namelist-based management of AML and CTF monitoring. At the same time, it revised the *Implementation Rules of Haitong Securities Co., Ltd. for the Management of Money Laundering and Terrorist Financing Risk Self-assessment* to optimize the methods and procedures of money laundering risk assessment and further strengthen the control over money laundering risks.

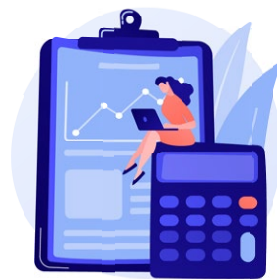
The Company has established a sound AML organizational structure in the charge of the Board of Directors. In this AML management system, the Company’s leading group on AML is responsible for overall planning and coordination of AML work, the Compliance and Legal Department is responsible for leading the implementation of AML work, and relevant business departments and branches are responsible for implementing AML work, so as to ensure relevant AML responsibilities are fulfilled. Besides, the Company hires five AML officers, each of whom has taken AML-related work for more than three years at financial institutions. They share work and cooperate with each other in business review, monitoring and analysis, branch management, and other aspects so as to make great strides in all spheres of AML work.

To help employees better perform their AML duties, the Company in 2020 carried out four special training sessions for senior managers, AML post holders, and business personnel, among others with a view to further specifying the requirements for the assessment of customer money laundering risks and for due diligence management of high-risk customers, and raise employees’ awareness of money laundering risk management greatly.

With respect to AML publicity, the Company posted AML video clips, courses, and articles on its WeChat Official Account called “Haitong AML Compliance”, so as to raise the AML awareness among the public on all fronts. In doing so, it hopes that its AML publicity efforts can play a critical role in maintaining financial security, cracking down on financial chaos, and forestalling financial risks.



By 2020, the “Haitong AML Compliance” WeChat Official Account had attracted more than **11,000** followers, and posted nearly **600** AML compliance-themed messages of all sorts.



### AML Publicity Activities in 2020

The Company issued the Notice on Launching the *AML Publicity Activities in 2020* in September 2020, to disseminate the AML knowledge in a wider range and at a deeper level and raise the public's AML awareness and ability in every aspect. According to the notice, the AML publicity activities would be rolled out across the Group, with priority given to integrating the AML work with many special campaigns of criminal syndicate combat, counter-terrorism, anti-corruption, drug control, illegal fund-raising crackdown, and crackdown on illegal securities activities. Through these activities, the Company helped to erect a line of defense against money laundering and case risks across the society, and performed its AML responsibilities and obligations as a securities company.



## Building a grassroots legislative contact point

In 2020, at the meeting of the Standing Committee of Shanghai Municipal People's Congress to increase the number and enhance the quality of grassroots legislative contact points, Haitong Securities was designated as such a contact point, becoming the sole corporate member among the 25 existing points.

Haitong Securities' grassroots legislative contact point follows the principle of “highlighting characteristics, integrating resources, expanding participation, and emphasizing actual results”. With various aspects of work done in an orderly way, it has established a “49+4+1+X” work network, which encompasses 49 subsidiaries of the Company in Shanghai, 4 professional consulting units (such as the Legislative Research Institute of Shanghai and the Law School of Shanghai University of Finance and Economics), 1 professional talent pool that gathers experts inside and outside the Company, and multiple information collection points. Fully leveraging its professional expertise as a financial company, Haitong Securities gets involved in the whole process of legislation, and does its part to promote the rule of law in Shanghai.



Grassroots legislative contact point



Haitong Securities was designated as grassroots legislative contact point by the Standing Committee of Shanghai Municipal People's Congress

Haitong Securities' grassroots legislative contact point takes a primary-level perspective and offers suggestions for creating a better business environment. Firstly, it solicited legislative opinions from the SME customers of the Company about the *Regulations of Shanghai Municipality on Promoting the Development of Small and Medium-sized Enterprises (Revised Draft)*, offering advice to support SMEs in tiding over the pandemic and local economy and society in bouncing back. Second, it invited the leaders from the Legislative Affairs Commission of the Shanghai Municipal People's Congress as well as persons-in-charge from nine local foreign-invested enterprises to solicit their legislative opinions and suggestions about the *Regulations of Shanghai Municipality on Foreign Investment (Draft)*. Attendees voiced their opinions and suggestions for the efficient protection of foreign-funded enterprises and the introduction of high-caliber foreign capital.



Forum with heads of foreign-invested enterprises



Questionnaire survey on satisfaction of Shanghai public cultural services

Relying on its “49+4+1+X” work network, Haitong Securities' grassroots legislative contact point distributed the questionnaires to understand citizen satisfaction with public cultural services through multiple channels such as the “e-HaitongCai” app, the official website of the Company, business outlets of the Company in Shanghai, and Shanghai Library. In doing so, Haitong Securities made sure that the voices of customers, investors, and ordinary citizens could be heard clearly.

## Anti-corruption

The Company endeavors to maintain a corruption-free working environment, enhances the self-discipline awareness of employees, and prevents staff from violating laws and regulations. In 2020, it formulated or revised relevant internal policies such as the *Implementation Measures on Deepening the Implementation of the “Four Responsibilities Coordination” Mechanism to Conduct Strict Party Governance in Every Aspect and Enhance Party Conduct and Political Integrity* and the *Administrative Measures for Integrity in Practice of Haitong Securities Co., Ltd.* to make sure employees can work with integrity and promote the management of corruption-free practice on all fron.

In 2020, there were no corruption lawsuits against the Company or its employees.

The *Administrative Measures for Integrity in Practice of Haitong Securities Co., Ltd.* explicitly provides that the Board of Directors should nail down the objectives of corruption-free practice management and assume responsibility for the effectiveness of such management. Besides, a corruption-free practice management framework has come into being at the Company, which is overseen/ guided by the disciplinary inspection and supervision team stationed by the Shanghai Municipal Commission for Disciplinary Inspection and Supervision, and directly led by the CPC Party Committee Office of the Company. Under the framework, the Compliance and Legal Department and the Human Resources Department should assume the responsibility for inspection and accountability, and various business departments and branches should get specific work done properly. Thanks to the framework, all these parties earnestly perform their respective duties with respect to corruption-free practice management.



The Company has established a compliance complaint and whistle-blowing system, allowing internal and external stakeholders to participate in the Company's compliance management. External stakeholders can make complaints or blow the whistle by letter, email, telephone, fax, visits, internet, etc. Employees have access to the discipline inspection and supervision platform through the OA hyperlink.

Regarding the protection of whistleblowers, the Company has formulated and implemented the *Implementation Measures for the Management of Letters and Visits for Whistle-blowing to the Disciplinary Inspection and Supervision Team Stationed by the Shanghai Municipal Commission for Disciplinary Inspection and Supervision in accordance with the Work Rules for Disciplinary Inspection and Supervision Organs to Handle Reports and Accusations*. According to the above measures, after receiving letters or visits for whistle-blowing, the Company should strictly implement confidentiality requirements to protect the privacy of whistle-blowers, in addition to taking measures for proper verification and handling.

#### Whistle-blower Protection Measures Adopted by Haitong Securities

- Kept strictly confidential the whistle-blowing contents and the personal information of whistleblowers;
- Strictly forbid forwarding or notifying the whistle-blowing materials and whistle-blower information to the organization or person being reported against;
- Verified and handled the whistle-blowing cases on the premise of not revealing the identity information of whistle-blowers; and
- Obtained the prior consent of whistle-blowers, if the publicity and coverage of whistle-blowing case entails the disclosure of their identity information.



## Consolidating the foundation of Party building

### Strengthening the building of primary-level Party organizations

The Company has thoroughly studied and implemented Xi Jinping Thought on Socialism with Chinese Characteristics for A New Era. It always regards upholding the Party leadership and strengthening Party building as the core of its development, and gives full play to the safeguarding role of primary-level Party organizations and the exemplary role of party members as vanguards, so that the Party organizations will function in a well-organized manner and carry out concrete work effectively.

In 2020, the Company promoted the normative building of primary-level Party branches by setting up a Party building information management platform, compiling a manual for the standardized building of Party branches, and strictly implementing the policies of "the three meetings and one type of lectures" (Party branch general meetings, meetings of Party branch committees, and Party group meetings, as well as Party lectures) and Party day activities. At the same time, it carried out Party day activities in an orderly manner, which included "Party Members Taking the Lead in the New Era", and "Practicing Original Aspirations in Action, Taking Great Missions on Shoulders", so as to encourage all Party members to stay true to the founding mission of the Company.

As at the end of 2020,  
the Company had

8 primary-level Party committees, 30 general Party branches,

4 directly affiliated Party branches, 285 primary-level Party branches,

3,323 Party members.



## Carrying out diversified Party building activities

In 2020, the Company firmly grasped the overall requirement for "staying true to our founding mission, identifying and filling gaps", thoroughly studied Xi Jinping Thought on Socialism with Chinese Characteristics for A New Era, and promoted the solid development of learning sessions themed on "Four Histories". It formulated the "Four Histories" learning and education program. Closely combining with reality, the Company launched the "Six Ones"-themed activities around important milestone events, and required all Party branches to organize Party day events on such themes as "Serving CIIIE" and "Exhibition of Pandemic Response Endeavors". Through these efforts, Party members were encouraged to look back at the past, stay true to their original aspirations, mobilize forces, and keep moving forward.

#### Main Party Building Activities in 2020

- Conducted the "Four Histories"-themed Party courses;
- Carried out the "Four Histories"-themed learning and education activities through the "Pioneer Classroom";
- Organized the Party branch secretaries to give the "micro-Party courses" themed on "Staying True to our Founding Mission";
- Carried out the "Four Histories"-themed learning sessions for the Party and League members.



#### Launching a Series of "Four Histories"-themed Learning and Education Activities through the "Pioneer Classroom"

To steadily promote the "Four Histories"-themed learning and education program with contents of learning further diversified and learning effects better assured, the Company gave full play to the role of the "Pioneer Classroom" as a stronghold of Party member education. Fully leveraging online and offline channels, a host of learning and education activities themed on the "Pioneer Classroom" and "Four Histories" were conducted for the vast number of party members and employees.

With the help of the high-quality teachers of the Party School of the CPC Huangpu District Committee, the Company unveiled a series of "Four Histories"-themed Party courses and onsite teaching activities with rich contents and in novel forms. Through visits, thematic explanations, and other methods, employees looked back at the history, comprehended the true implications of the Party's founding mission, and drew the strength they needed.





# Charting A Promising Business Blueprint with the Pioneering Spirit

China will scale up its nationally determined contributions and adopt more vigorous policies and measures. We aim to peak carbon dioxide emissions before 2030 and achieve carbon neutrality before 2060. We will promote green, low-carbon economic and social development in all respects.

—— Remarks by Chinese President Xi Jinping at the General Debate of the 75th Session of the UN General Assembly in September 2020

Financial reform has a long way to go in China. The finance industry should always act on the decisions and plans made by the CPC Central Committee. Centered on the goal and task to complete the building of a moderately prosperous society in all respects and bearing in mind its founding mission, it should serve the real economy by higher standards, build a law-based, transparent, open, dynamic, and resilient capital market, and put in place a national financial security system, thus providing financial support for the Chinese economy's transformation and upgrading drive and high-quality development.

—— People's Daily in September 2020

- The Company dealt with **17** tranches of green bonds as the lead underwriter, with the issuing volume reaching RMB **31,050** million and the underwriting volume RMB **8,747** million;
- The Company raised funds of RMB **54,002** million through an IPO on the STAR market, a figure ranking **No.1** among all market players;
- The complaint handling rate hit **100%**, and the customer satisfaction rate went beyond **99%**



# Sustainable finance creates sustained value

## Including ESG factors into the scope of comprehensive risk management

ESG risks are also known as sustainability and non-financial risks, mainly used to oversee the Company’s problems in environmental, social and governance fields. Incorporating ESG factors into risk control will enable the Company to better prevent and control non-financial risks and attain sustainable development over the long run.

ESG risk management is the basis for putting the ESG philosophy into action. Haitong Securities has incorporated ESG factors in its group-wide risk management. The Company evaluates, measures, monitors, responds to, and reports on the main risks related to ESG factors, and strengthens the prevention, real-time control and follow-up management of various risks by means of assessment, examination and auditing.

The Company has created a clear organizational structure of risk management that consists of the Board of Directors, the Board of Supervisors, the Management, Chief Risk Officer, departments involved in comprehensive risk management, business operation and management departments, branches and subsidiaries. The Board of Directors of the Company has established and mandated the Compliance and Risk Management Committee to perform its specific risk management responsibilities. The Company has appointed risk control officers in all business operation and management departments and branches, and has appointed risk management principals at all subsidiaries.

The Company fully considers ESG factors in the risk management practice, incorporates such factors in the due diligence process, and embeds the ESG due diligence management mechanism into many investment and financing business lines such as investment banking, bond financing, and equity investment, and effectively prevents possible ESG risks. By doing so, it effectively guards against the ESG-related customer credit default risk or the market risk arising from the adverse changes in the valuation of financial assets.

ESG Risk Control Measures of Haitong Securities

Business type	ESG risk control measures
Investment	<ul style="list-style-type: none"> <li>Applying the responsible investment strategy that features positive screening</li> </ul> <p>Enterprises that are policy-compliant, energy-efficient and eco-friendly will be whitelisted as preferred alternatives for investment.</p> <ul style="list-style-type: none"> <li>Applying the responsible investment strategy that features negative elimination</li> </ul> <p>The Company has established a blacklist system of quantitative stock pick models. Companies with negative media coverage, non-compliances, major environmental pollution accidents or major problems in corporate governance are blacklisted.</p>
Bond financing	<ul style="list-style-type: none"> <li>Credit check in due diligence</li> </ul> <p>The Company conducts credit checks on the bond issuers undertaking projects, including whether they are dishonest producers or operators in terms of environmental protection, by visiting 29 websites, including <a href="http://www.creditchina.gov.cn">www.creditchina.gov.cn</a>, <a href="http://www.gsxt.gov.cn">www.gsxt.gov.cn</a> and the website of the PRC Ministry of Ecology and Environment.</p> <ul style="list-style-type: none"> <li>Examining customers’ environmental paperwork</li> </ul> <p>In assisting customers in getting listed, the Company requires them to provide third-party environmental impact assessment documents with an environmental opinion issued.</p> <ul style="list-style-type: none"> <li>Reviewing and limiting the use of funds by the financing entities</li> </ul> <p>The review of financing entities focuses on their compliance and debt sustainability, imposing restrictions on the use of proceeds by financing entities. Raised funds are strictly banned from going to heavy-polluting, energy-intensive and oversupplied industries.</p> <ul style="list-style-type: none"> <li>Reviewing the business sustainability of the underlying listed companies</li> </ul> <p>The review of underlying listed companies focuses on whether their operations conform to the industrial policy, whether there are negative public opinions against them regarding energy conservation and environmental protection, whether they fulfill social responsibilities, etc. More favorable financing conditions are granted to listed companies demonstrating excellence in overall evaluation.</p>

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Appendix



### Haitong International Assisted the Listing of the First ESG-concept Green Tech Property Stock on the SEHK

First Service Holdings Co., Ltd. ("First Service") is committed to providing residential and non-residential property owners with the digitally interconnected, green and healthy living experience throughout all stages of the property life cycle. It has been rated as an "Innovative Enterprise of China Engaged in Green Tech-enabled Property Management" by the China Index Academy for three consecutive years from 2018 to 2020.

In October 2020, Haitong International, as the sole sponsor, sole global coordinator and joint bookrunner, assisted First Service in getting listed on the Hong Kong capital market and introducing a number of top-level long-term funds available at home and abroad and internationally renowned ESG funds. First Service was the first ESG-concept green tech property stock on the Hong Kong stock market.

ESG training is an effective way to enhance the ESG awareness across the Company. Focused on ESG concepts and ESG investment, among other aspects, the Company conducts ESG-related training. In 2020, Haitong International delivered ESG training to investment banking personnel. The training introduced the development status and trends of ESG investment, the excellent practices of international investment banks in ESG investment, and other aspects of content, thus further enhancing employees' understanding of ESG.

## Practicing responsible investment

Sustainable finance is in the ascendant across the world. The United Nations Principles for Responsible Investment (UNPRI) was formally established in 2006, pushing for major investment institutions to include ESG factors in their investment decisions. Chinese regulatory agencies released a string of policies such as the *Guidelines for Establishing the Green Financial System* and the *Green Investment Guidelines (Trial)*, put forth specific requirements for the securities market to improve the green finance system and support green investment, in a bid to promote the transformation of the Chinese economy towards green operation.

The Company actively responds to development trends available at home and abroad. It considers ESG-related factors in the investment decision-making process. At the same time, it applies responsible investment strategies such as positive screening and negative elimination to increase the close integration of the concept of responsible investment and the Company's investment business. In 2020, the Company implemented the ESG investment concepts at great depth by investing in anti-virus bonds, buying green bonds, and launching ESG-themed products. In the process, the Company not only racked up investment returns, but also created social value.

### Haitong International Launched Haitong MSCI China A ESG ETF

In October 2020, Haitong International unveiled the first broad-based ESG ETF listed on the Hong Kong Exchanges and Clearing Limited – Haitong MSCI China A-Share ESG ETF. It was also Hong Kong's first ETF product that provided extensive opportunities to invest in China's A-share ESG funds.

The product was designed to track the MSCI Global ESG Universal Index, and select investment targets with stable ESG performance and sound prospects for development. While offering investors with channels to invest in many A-share companies with good ESG performance and yield stable returns on investment, it also gave full expression to the Company's all-around promotion and practice of ESG investment.

Haitong Securities attaches great importance to ESG research. While improving its ESG investment level, the Company also renders customers with ESG-related research services. To date, it has published the *Stable and Sustainable: Secrets of An ESG Strategy*, the *Investment Opportunities Arising from the Carbon Neutrality Initiative*, etc., to promote the extensive application of ESG investment concepts.

### Researching and Analyzing the ESG Investment Value of A Shares

In a market environment where ESG investment is gaining more significance, the impact of ESG factors on the long-term investment of listed companies has attracted increasing attention from investors. In March 2020, Haitong Securities was commissioned by the National Council for Social Security Fund to conduct in-depth research on the significance of ESG ratings and the investment value of ESG funds.

The Company carried out research on such domains as the prediction of ESG ratings on future earnings of stocks and the performance of ESG funds in the A-share market. The research findings show that the listed companies with higher ESG ratings overall present more stable operation and profitability, higher future earnings, and lower possibilities of triggering risk events. The above research results have been highly recognized by customers. At the same time, the Company has also contributed to the promotion of ESG investment concepts in China.

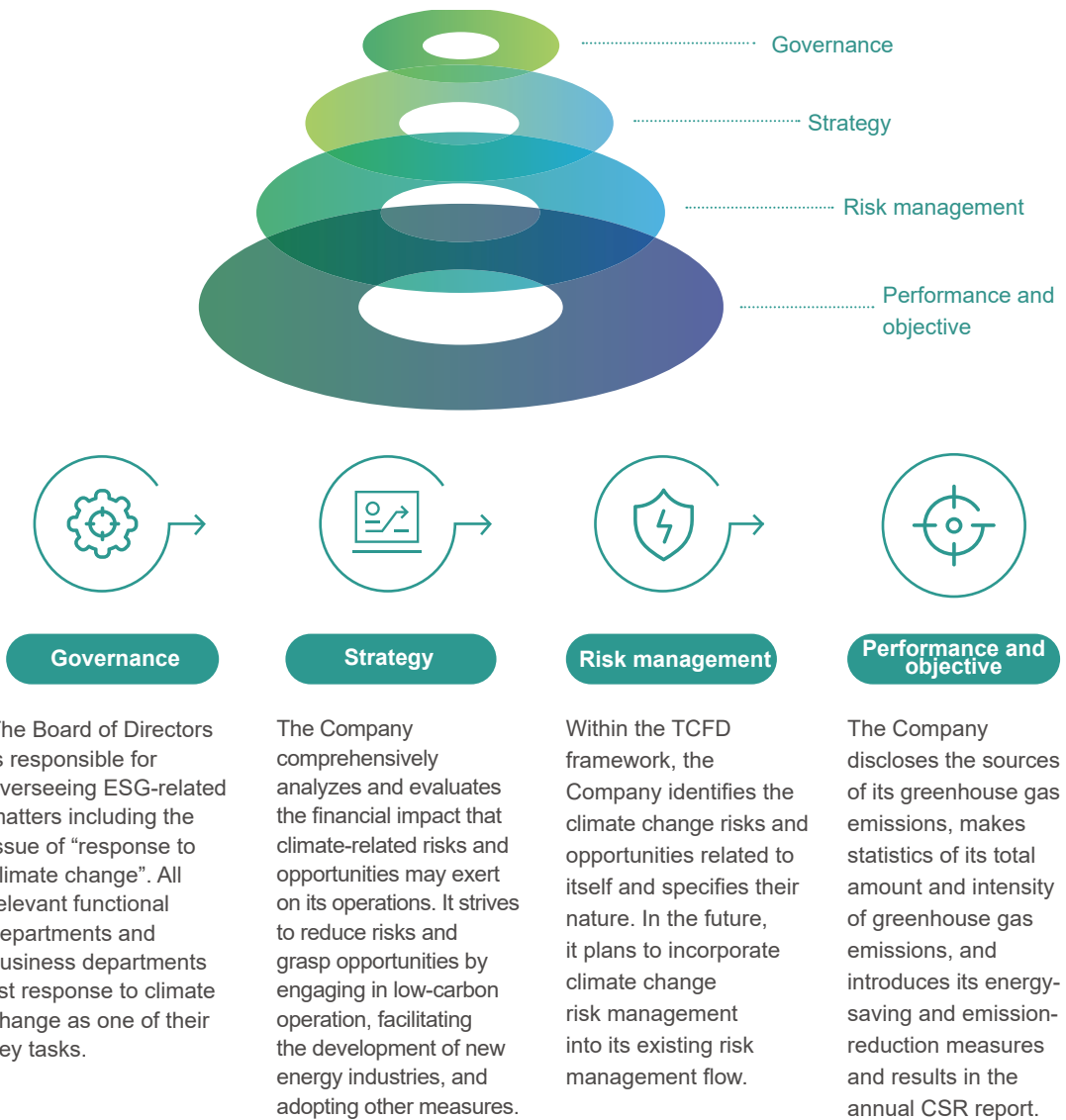
# Response to climate change

## Climate change management

The Central Banks and Supervisors Network for Greening the Financial System (NGFS) in its first comprehensive report for 2019 put forward that “climate-related risks are a source of financial risk”, which rang the alarm bells for the finance industry. In October 2020, the Ministry of Ecology and Environment of China stated that response to climate change would be fully integrated into the initiative for developing ecological civilization during the 14th Five-Year Plan period.

Haitong Securities has been fully aware of the severity of climate change and the urgency of responding to such change. In 2020, the Company announced to endorse the initiative put forward by the Task Force on Climate-related Financial Disclosures (TCFD). According to the framework set out by the TCFD, it disclosed the management measures adopted in response to the risks and opportunities related to climate change as well as the results achieved in this regard.

Climate Change Management System of Haitong Securities



# Identifying climate change-related risks and opportunities

To better identify the risks and opportunities brought by climate change for its business activities and operations, Haitong Securities in 2020 identified, assessed, and analyzed climate-related risks and opportunities facing itself. Meanwhile, combined with expert opinions, it also identified the material risks and opportunities and disclosed them in the report.

Climate-related Risks and Opportunities of Haitong Securities

Climate-related risks	Transition risks	Policy and legal risks, reputational risks, market risks and technical risks
	Physical risks	Chronic physical risks and acute physical risks
Climate-related opportunities		Market opportunities, products and services, adaptability, resource efficiency and energy source



Based on the matrix of climate-related risks and opportunities, Haitong Securities analyzed five highly material climate-related risks (market risks, policy and legal risks, reputational risks, chronic physical risks, and acute physical risk) and three highly material climate-related opportunities (market opportunities, products and services, and energy sources), and assessed their potential financial impacts, so as to take appropriate management measures.



Analysis of Financial Impact Brought about by Climate-related Risks and Opportunities at Haitong Securities

Risk/opportunity type		Risk/opportunity description	Potential financial impact	Management measure
Risks	Market risks	As stakeholders pay more attention to climate change issues, the Company, customers and investment targets may face market risks due to their failure to meet consumer expectations.	<ul style="list-style-type: none"><li>Decreased operating income</li><li>Reduced value of investment portfolio</li><li>Raised customer credit risk</li></ul>	<ul style="list-style-type: none"><li>Establish a climate change management mechanism, which is supervised by the Board of Directors and implemented by all relevant functional departments and business departments vigorously.</li></ul>
	Policy and legal risks	As climate-related policies come out successively, the Company, customers and investment targets may face defaults, penalties, lawsuits and other loss-caused events due to their failure to meet policy and regulatory requirements.	<ul style="list-style-type: none"><li>Decreased operating income</li><li>Reduced value of investment portfolio</li><li>Raised customer credit risk</li></ul>	<ul style="list-style-type: none"><li>Identify climate-related risks and opportunities associated with the Company's operation within the TCFD framework.</li></ul>
	Reputational risks	Climate-related issues are drawing more public attention. The Company, customers and investment targets see their reputation at risk if their climate change responses do not meet the expectations of stakeholders.	<ul style="list-style-type: none"><li>Decreased operating income</li><li>Reduced value of investment portfolio</li><li>Raised customer credit risk</li></ul>	<ul style="list-style-type: none"><li>Take climate change as a material issue and respond to it preferentially in the CSR report.</li></ul>
	Acute physical risks	Physical operating units of the Company, customers and investment targets may face property losses or operation interruption due to extreme weather events such as typhoons, floods and storms.	<ul style="list-style-type: none"><li>Decreased operating income</li><li>Reduced value of investment portfolio</li><li>Operating cost rise</li><li>Property loss</li></ul>	<ul style="list-style-type: none"><li>Continuously improve a property management system, and formulate contingency plans to deal with typhoons, floods, storms and other extreme weather conditions.</li></ul>
	Chronic physical risks	The Company, customers and investment targets may see their normal production and operation interfered with due to such chronic climate disasters such as temperature rise and sea level rise.	<ul style="list-style-type: none"><li>Reduced value of investment portfolio</li><li>Operating cost rise</li><li>Property loss</li></ul>	
Opportunities	Market opportunities	Under a background of low-carbon economy, the market prefers climate-friendly enterprises. Developing innovative climate-friendly products and services will win the Company more space for the future revenue growth.	<ul style="list-style-type: none"><li>Operating income rise</li><li>Increase in the value of investment portfolio</li><li>Reduced customer credit risk</li></ul>	<ul style="list-style-type: none"><li>Provide financial services for energy conservation, environmental protection, new energy and other green industries.</li></ul>
	Products and services	Providing financial services to, or investing in, climate-friendly companies that develop innovative low-carbon products and technologies can help the Company win more space for revenue growth.	<ul style="list-style-type: none"><li>Operating income rise</li><li>Increase in the value of investment portfolio</li><li>Reduced customer credit risk</li></ul>	<ul style="list-style-type: none"><li>Renovate data centers with low-carbon technology and equipment to reduce energy consumption and greenhouse gas emissions.</li></ul>
	Energy sources	The Company, customers and investment targets can reduce their future energy bills, by actively replacing carbon-intensive energy with clean energy	<ul style="list-style-type: none"><li>Decreased operating cost</li><li>Increase in the value of investment portfolio</li></ul>	<ul style="list-style-type: none"><li>Make full use of the video conferencing system, and reduce the number and frequency of business trips, so as to reduce the greenhouse gas emissions caused by such trips.</li></ul>

Pressing ahead with energy conservation and emission reduction campaigns

With the rapid development of information technologies such as cloud computing, big data, AI, and the Internet, data centers functioning as data carriers are also growing in number over time, which leads to a continued surge in carbon emissions. In 2019, the *Guiding Opinions on Strengthening the Construction of Green Data Centers* co-issued by three authorities including the Ministry of Industry and Information Technology put forward requirements for renovating in-use data centers towards green operation and maintenance. To actively answer the call, the Company has continued to promote energy conservation and emission reduction of its data centers.



Building Intelligent Data Centers to Make Headway with Energy Conservation and Emission Reduction

At Haitong Securities, data centers make full use of their superior cloud computing and virtualization technologies to combine large-scaled and intelligent operation in an orderly manner. Relying on the intelligent feature for on-demand resource allocation provided by the hybrid financial cloud platform, these centers can put services and network resources under dynamic management/control, and coordinate various types of resources for overall management, further reducing equipment energy consumption and improving resource utilization efficiency.

As at the end of 2020, the desktop cloud of the Haitong Securities Hybrid Financial Cloud Platform used 82 computing resource host nodes, and ran 4,300 desktop virtual machines, saving over 3.3 million kWh of energy in the year. The testing cloud and production cloud platforms used about 300 host computers, run more than 3,300 virtual machines, and recovered over 2,000 hosts, thus saving over 4 million kWh of energy in the year.

Note: The carbon absorption capacity was estimated with the removal factor of one tree per year being 23 kilograms of carbon dioxide equivalents", as set out by the SEHK in the *How to Prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs*.

In 2020, data centers of the

Company saved over 7.3

million kWh of energy and reduced

about 5,873.58 tons of

carbon dioxide emissions, which

was equivalent to the annual

carbon absorption capacity of about

255,400 trees.

Serving the real economy

Supporting the development of STAR Market-listed enterprises

The launch of the STAR Market and the pilot of the registration-based IPO system on this market was a milestone of the capital market's deepening of reform in the new era. In 2020, IPOs on the STAR Market continued to show a good momentum, and the pilot project of registration-based IPO system achieved a phased success.

The Company acted actively upon the important guidelines of the CPC Central Committee on providing financial support for technological innovation and captured firmly the historic opportunity of the launch of the STAR Market. It tapped deeply into a variety of technological innovation fields, e.g. semiconductors, high-end equipment and bio-pharmaceutical, acted as an IPO sponsor for technological innovators and contributed its share to the thriving advances of China's technological innovation.

In 2020, the Company successfully helped Semiconductor Manufacturing International Corporation ("SMIC"), 3PEAK INCORPORATED ("3PEAK"), National Silicon Industry Group Co., Ltd. ("NSIG") and Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Co., Ltd. ("Fudan-Zhangjiang"), among other high-quality companies, get listed on the STAR Market, a move to assist technological innovators growing bigger and stronger. IPOs on the STAR Market raised

RMB 54,002 million, the largest across the whole market.





## Helping SMIC Make the Biggest Debut on the STAR Market

SMIC is one of the leading integrated circuit foundries in the world, and also the Chinese mainland's most advanced and largest foundry, broadest in technology coverage, and most comprehensive in semiconductor manufacturing services. Since 2017, Haitong Securities has continuously provided SMIC with IPO counseling, due diligence, IPO plan design and other services.

In July 2020, the Company completed a series of processes, including filing, inquiry, approval of IPO application by the CSRC, registration and issuance, for SMIC within three months (a new record), helping SMIC list on the STAR Market successfully and raise RMB53.2 billion, the biggest debut ever on the STAR Market and also the highest A-share financing in a decade. Through this IPO, the Company supported SMIC's fund-raising for parallel R&D and advanced capacity building, and helped SMIC take a key step forward to become a world-class integrated circuit manufacturer.



Supporting SMIC's launch on the STAR Market



## Helping 3PEAK Get Listed on the STAR Market

3PEAK is one of the few mid-to-high-end analog chip suppliers in China. Its self-developed signal chain analog chip has filled China's technology vacuum and is of significance to promoting the country's leading communication equipment manufacturers to use homegrown spare parts.

Haitong Securities, as the sponsor and lead underwriter for the listing of 3PEAK, overcame the disruptions of COVID-19 in spite of the tight schedule and heavy task, and provided a package of services such as stock ownership incentive implementation, private placement with strategic investors, sponsorship and underwriting for 3PEAK. It quickly helped 3PEAK get listed on the SSE's STAR Market in September 2020 and raise RMB2.15 billion, financing for achieving a breakthrough in the critical technology of China's analog chips.



Supporting 3PEAK's launch on the STAR Market

## Supporting the development of micro and small businesses

Micro, small and medium enterprises (MSMEs) are a fresh powerhouse for economic growth and social development, playing an extremely important role in stabilizing growth, expanding employment, promoting innovation, prospering the market and meeting the needs of the people.

Haitong Securities has actively implemented the relevant state plans for financial institutions supporting micro and small businesses by increasing financial support for MSMEs. It expands financing channels for MSMEs with direct or indirect financing services, such as NEEQ listing and bond issuance, providing easier access to financing and boosting the vitality of micro and small businesses.

In 2020, the Company provided tutoring services for **124** NEEQ listed companies, and helped **4** enterprises file for listing on the basic layer of the NEEQ and **1** enterprise get listed on the selected layer, providing micro and small businesses with RMB **284** million of financing through private placements.



## Facilitating the Debut of Xiece Information on the STAR Market

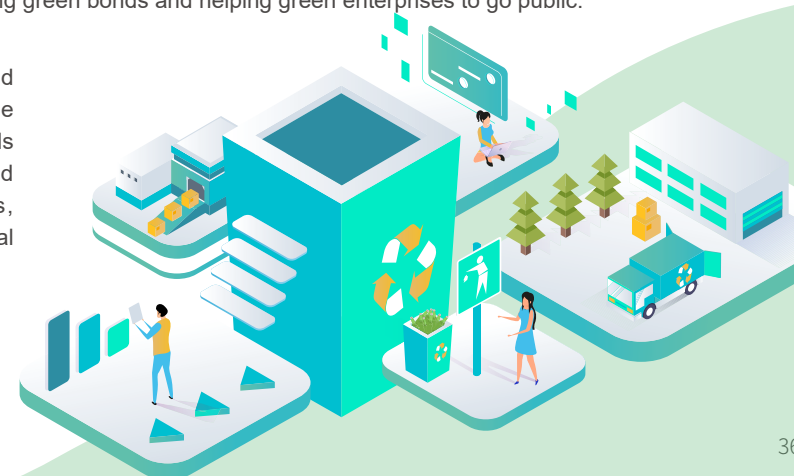
In November 2020, Haitong Securities successfully recommended Hangzhou Xiece Information Technology Co., Ltd. ("Xiece Information") to get listed on the STAR Market as a lead securities firm. Xiece Information engages mainly in the sales and leasing of analytical instruments, and is committed to building a leading platform for leasing analytical instruments. It carries out the businesses related to the leasing of laboratory analytical instruments and provides one-stop services for scientific laboratories.

During recommendation, Haitong Securities conducted due diligence on Xiece Information, standardized its business practices, streamlined and solved its financial issues, and provided its significant shareholders and executives with training on corporate governance, information disclosure and capital operation, among others, laying a sound foundation for its future development.

## Developing green finance

Haitong Securities adheres to the concept of green development, gives full play to the capital market's role in optimizing resource allocation, and guides and motivates more social capital to invest in green industries and serve China's ecological conservation through financial services such as issuing green bonds and helping green enterprises to go public.

In 2020, Haitong Securities acted as the lead underwriter of 17 issues of green bonds, with an issue size of RMB31.05 billion, and underwrote green bonds of RMB8.747 billion. Those green bonds included mainstream bond types, e.g. corporate bonds, enterprise bonds, debt financing instruments, financial bonds, ABS and project revenue notes.





## Helping to Issue Green Corporate Bonds and Promoting Sewage Treatment up to the Standard

Wuhan Sanzhen Industry Holding Co., Ltd. is a backbone enterprise of water services in Wuhan, which strictly requires its subsidiary wastewater treatment plants and water plants to operate in full compliance with the pandemic prevention and control requirements with high quality to ensure safe and high-quality water supply and wastewater treatment to meet the standard.

On March 12, 2020, “2020 Green Bond of Wuhan Sanzhen Industry Holding Co., Ltd.”, for which Haitong Securities was the lead underwriter, was successfully booked and issued with a size of RMB870 million. All the funds raised would be used for wastewater treatment projects in areas in Hubei Province where the virus went viral and for working capital spending related to pandemic prevention and control. This effort has provided solid support for the fight against virus while propping up the development of green enterprises.

## Supporting the Listing of High-tech Enterprises in Ecological Environmental Protection and Treatment

Shanghai CEO Environmental Protection Technology Co., Ltd. (“CEO”) is a national high-tech enterprise dedicated to ecological environmental protection and treatment. Integrating R&D, design, manufacturing, assembly, installation and operation & maintenance services of high-end energy-saving & environmental-protection technology and equipment, CEO provides customers with safe and efficient sludge capacity and quantity reduction, as well as purification and pollution discharge reduction of odor and volatile organic pollutants.

In August 2020, Haitong Securities, as the sponsor and lead underwriter, helped CEO get listed on the STAR Market, raising a total of RMB840 million for the expansion project of low-temperature vacuum dewatering and drying technology and equipment and the new project of environmental protection technology and equipment R&D, as well as replenishment of working capital. Through this listing, the Company successfully promoted the advancement of China in reducing sludge and purifying exhaust gas.

# Providing high-quality customer services Improving the customer service process

The Company accepts inquiries and complaints from customers through its customer service hotline 95553, intelligent customer service, official website and branches. For the purpose of effectively handling customers’ inquiries and complaints, the Company formulated the *Administrative Measures for Customer Complaints of Haitong Securities Co., Ltd.* Starting from improving customer satisfaction and brand content, the Measures standardizes each step in customer complaints, including complaint acceptance, complaint handling, complaint feedback and follow-up, and sets out the roles and responsibilities of each unit for complaint handling, in order to raise the handling efficiency.

By adopting FinTech, the Company has made continuous explorations and moves in building the intelligent customer service system to improve service experience and satisfaction. The Company rolled out a project allowing follow-up on customers intelligently in 2020. It ran on 126 trading days accumulatively throughout the year and took about 21,695 hours in the follow-up, equal to saving 22 full-time employees a day. Besides, it also kicked off an intelligent voice navigation project, which is expected to further increase the customer service call completion rate and expand customer service coverage in the next year.

In 2020, the annual customer service telephone satisfaction rate and online satisfaction rate were **99.8%** and **99.9%**, respectively, reaching an all-time high.



In 2020, the Company successfully launched the training sessions for customer service representatives, including “heart-warming services” and “mental pressure relief skills”, helping **30** new customer service employees and **30** sub-new customer service employees improve communication skills, further improve customer service quality and enhance customer experience satisfaction.



Training site of customer service representatives

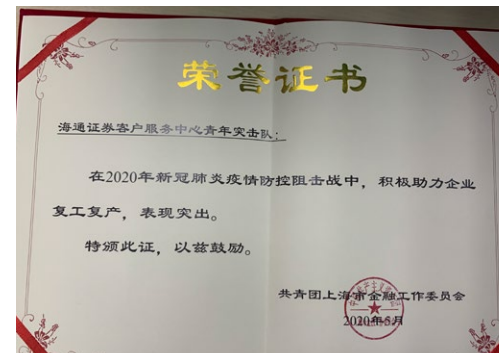
In 2020, in the midst of COVID-19 battle, the Company made overall arrangements in two respects – emergency supports and customer services to ensure the availability of service support across the board.

### Emergency supports

The Company urgently supported 21 front-office departments of nine branches in the pandemic-ravaging areas, assisted them in providing key services such as alert to successful applicants for subscription and margin trading follow-up and business follow-up. Emergency follow-up events added up to 9,000.

### Customer services

The Company applied intelligent technology in continuously optimizing and improving advisory services, providing advisory services for 3.8 million times accumulatively in 2020, 74% of which were intelligent tech-based. The accuracy of intelligent knowledge database reached 99.2%.



Honorary Certificate for the Anti-Pandemic Efforts from the CYL Shanghai Financial Working Commission



Title of Advanced Collectivity for Combating COVID-19



Excellent Service of the Year from the China Customer Contact Center

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## Information security and customer privacy protection

Following the policy of “clear responsibilities, reasonable authorization, standard procedures and combination of technology and management”, the Company formulated its in-house policies and procedures, including the *System Security Management Measures*, the *Cybersecurity Management Policy* and the *Administrative Measures for Security Inspection of Information Systems* in accordance with relevant laws and regulations, including the *Regulations of the People’s Republic of China on the Security Protection of Computer Information Systems*, to manage customer information and transaction data properly. Employees are strictly prohibited from divulging, trading and misusing customer information to effectively ensure customer information security and transaction security.

In terms of network and information security hazard prevention and control, the Company follows a “systematic, routinized and real battle-based” guideline, carries out information security capacity building from five dimensions, including prediction, protection, response, detection, continuous monitoring and operation, and conducts network security attack-defense drills to effectively strengthen and improve network and information security hazard prevention and control capabilities.

What’s more, to address the needs of further improving the support for three kinds of core information security capabilities – “threat detection, situational awareness and security protection”, the Company conducts centralized collection and storage of internal security equipment, operating systems and application system logs, timely discovers information security threats and incidents by analytical means such as rule analysis, statistical analysis, machine learning and threat intelligence, and launches automatic security operations over security threat detection, response, investigation and disposal step by step.

In 2020, the Company detected no violations related to customer information security or transaction security.

### Strengthening the Information Security Operations Platform

The Company continuously increases the investment in information security operations platform, carries out information security capacity building from five dimensions of prediction, protection, response, detection, continuous monitoring and operation, and further improves the three core information security capabilities of “threat detection, situational awareness and security protection”.

With such analytical means as rule analysis, statistical analysis, machine learning and threat intelligence in place, the Company discovers information security threats and incidents in a timely manner, provides strong original data support for the processing and tracing of information security incidents, and launches automatic security operations over security threat detection, response, investigation and disposal step by step.

At the same time, the Company strives to step up data security management. It completed the “Business Data Classification and Grading and Security Protection System Development Project” in the second half of 2020 to ensure data security and customer information security across the board.

### Providing Employees with Network Security Education

The Company launched a series of publicity events, including online security assessment, video learning and online Q&A, for all employees in the publicity theme of “network security for the people, network security by the people”. It regularly promoted security protection illustrations and sent security awareness-related promotional emails throughout the Company.

It carried out special training on security technology enhancement for security operators, dealing with six topics – security configuration reinforcement, common security vulnerability reinforcement, security risk assessment, implementation specifications of security vulnerability scanning, implementation specification of security configuration verification and alarm log analysis, to comprehensively improve their professional skills.

## Investor education

The Company attaches great importance to the construction of investor base and investor education. In 2020, it held a nationwide investor education lecture tour on “Rational Growth Together on the STAR Market”. More than 1,000 STAR Market investors came to the sites in 11 cities in Shanghai, Shenzhen, Guangdong, Jiangsu, Zhejiang, Shanxi, Guizhou, Jiangxi, Guangxi, Shandong and Anhui, while over 30,000 investors listened synchronously to the lectures through livestreaming.

### “Rational Growth Together on the STAR Market” Investor Education Event in Jiangxi

On September 19, 2020, Haitong Securities Investor Education Base and Haitong Securities Jiangxi Branch jointly held a large-scale lecture on “Rational Growth Together on the STAR Market”, which discussed in depth the reform process of the STAR Market, the Market’s main institutional innovations, as well as its current operation and outlook.



Site of the STAR Market Investor Education Lecture in Jiangxi

The Company implemented the *Memorandum of Cooperation in Strengthening Education on the Popularization of Securities and Futures Knowledge* jointly issued by the CSRC and the Ministry of Education, and incorporated investor education into the work of national education system. In 2020, Haitong Securities Investor Education Base carried out a series of national education activities of “Investor Education in Colleges and Universities”, and it went to Shanghai University of Finance and Economics, Shanghai Tongji University and other prestigious colleges and universities.



The “Investor Education in Colleges and Universities” was held at Shanghai University of Finance and Economics



The Investor Education Base carried out “SOE Open Day – Students of Shanghai University of Finance and Economics Visiting Haitong Securities”.



According to the assessment of the CSRC, Haitong Securities Investor Education Base was named a national investor education base.



# Contributing to A Harmonious Society

As per the strategic arrangements of finishing building a moderately prosperous society in all respects by 2020 and realizing the Second Centenary Goal in two phases, China should not only bring about a moderately prosperous society in all respects in the rural areas but also get off a flying start and build a good foundation for basic modernization of agriculture and the countryside.

——The National Rural Vitalization Strategic Plan (2018-2022) released by the Central Committee of the Communist Party of China and the State Council

Differentiated and preferential financial services should be provided (by financial institutions) to heavily affected regions, industries and enterprises. Financial institutions should take measures, such as adjustments of regional financing policies, internal fund transfer pricing and differentiated performance assessment, to enhance the capability of financial supply in severely affected regions.

——Notice of PBC, MOF, CBIRC, CSRC and SAFE on Further Strengthening Financial Support for Containing Novel Coronavirus Outbreak, January 2020

- Coverage of employee training reached **100%** and an employee took training for **33.67** hours each year.
- Total spending on targeted poverty alleviation was RMB **14,645,700**, helping lift **2,061** registered poor households out of poverty.
- The Company helped with placing **30** issues of anti-pandemic bonds, underwrote bonds of RMB **16,097** million, raised RMB **31,234** million for enterprises.



Responsibility  
column

## Helping win the battle against poverty in all respects

### Adopting a multi-pronged approach to targeted poverty alleviation

2020 was critical to the final victory of the battle against poverty. As a state-owned large financial enterprise, Haitong Securities developed a deep understanding of the overall requirement on serving the country's anti-poverty strategy on the capital market and adopted a multi-pronged approach to lift people out of poverty.

In active response to the "one company to one county" pairing initiative, the Company has successively worked in pairs with Lixin County in Bozhou City of Anhui Province, Ningdu County in Ganzhou City of Jiangxi Province, Shucheng County in Lu'an City of Anhui Province and Xichou County in Wenshan Prefecture of Yunnan Province in getting rid of poverty. In further response to the call of the CSRC and the Securities Association of China for co-launching programs for the public good with designated counties, the Company entered into an agreement with Yecheng County in Kashgar Prefecture of Xinjiang to help the poverty-stricken areas there shake off poverty.

The Company has set up a working mechanism for providing organizational guarantee for the anti-poverty battle. Where, Party Secretary and Chairman of the Company headed the leading group on poverty alleviation, under which a working group and a facilitation body were set up. The poverty alleviation work was carried out through collaboration between management and business departments, between the headquarters and branches, as well as between financial support and staff support, so as to put together the resources of business departments and subsidiaries and provide institutional guarantee for the fight against poverty.

With respect to the anti-poverty model, based on its unique strengths and characteristics of poor areas, the Company has explored and innovated a whole suite of multi-tiered, systematic and three-dimensional system for finance-empowered targeted poverty alleviation, put in place a five-in-one model, including financial support on the capital market, "one company to one county" industrial support, new round of comprehensive support in the countryside, charity and public welfare support, and intelligent support through education and training, and thus formed a targeted anti-poverty landscape across different tiers and channels and in all respects.

#### Promoting economy through "finance plus innovation"

Approximately RMB1.5 billion was raised and special anti-poverty bonds of RMB1.78 billion were issued in the Company's drive to help enterprises in poor counties to go public, get listed on the NEEQ and issue convertible bonds; and it helped poor counties raise about RMB1.6 billion through finance lease and equity pledging.

#### Strengthening industries through "funding plus projects"

Taking into account the natural conditions and actual economic development of impoverished areas, the Company channeled money into the support for featured industries. While assisting Xichou County in Yunnan Province and its three poor villages, the Company invested a total of RMB1.5 million as the fund for industrial support, helping 186 registered poor households and benefiting nearly 1,500 people.

#### Anti-poverty Model of Haitong Securities

#### Fostering talents through "poverty relief plus intelligent support"

Leveraging the financial expertise, the Company helped government departments, enterprises and investors in poor areas increase their financial knowledge and enhance their awareness of financial risk prevention. It held 16 financial training sessions in 10 counties with nearly 1,500 participants.

#### Improving culture through "public welfare plus education"

The Company actively strengthened the "Love in Haitong" Party building-led public welfare & poverty alleviation brand and established the "Haitong Public Welfare Special Fund", which has invested more than RMB8.2 million in poverty alleviation through education since 2016.

As of 2020, Haitong Securities Group and its subsidiaries had paired up with 18 poor counties (economically disadvantaged areas) and seven poor villages (economically disadvantaged villages), directly invested more than RMB73 million in poverty alleviation, introduced nearly RMB7 billion into poor areas, and assigned nearly 100 people to the poverty alleviation front and related projects.

### Backing rural vitalization via urban & rural support

In the drive of urban & rural construction, Haitong Securities actively helped three economically disadvantaged villages in Chongming District, Jinshan District and Pudong New Area of Shanghai, and signed a paired support framework agreement with three units. It carried out supportive activities through joint building of organizations, joint training of Party members, joint launch of activities, joint use of resources and joint provision of services, forming a supportive model characterized by "mutual benefits, joint improvement and win-win cooperation".

As early as 2007, the Party Committee of the Company and the Party Branch of Guangming Village paired up. Over the past 14 years, the Company has supported the development of Guangming Village in terms of assisting in economic growth, people in difficulty, talent training, environment improvement and cultural building.

According to statistics, as of 2020, the Company has shown care to nearly **300** locals in difficulty in Guangming Village, donating RMB**430,000** to them; it has also provided RMB**200,000** to help Guangming Village renovate its senior citizen activity room and more than RMB**400,000** to help build the local cultural brand.

#### Creating Local Cultural Brands and Helping with Rural Cultural Advancement

During provision of support by pairing up urban and rural Party organizations, Haitong Securities always believes that the work should pay attention to not only the help of hard power such as materials but also the support of soft power such as culture. Thus, it has consciously provided Haitong's wisdom in helping the cultural advancement of urban and rural areas. For 14 consecutive years since 2007, the Party Committee of the Company has sponsored the "Haitong Cup" villagers' talent competition of Xuanqiao Town, providing intellectual and financial support to enhance the cultural soft power of Guangming Villagers.

The competition covers four age groups: senior citizens, middle-aged, the youth and teenagers & kids. The participants show their talents on the day of the event, and the judges select winners and give them awards on the spot. Through years of practice, the competition has become a brand project of Xuanqiao Town for leading the cultural work of the people, provided a venue for local villagers to enhance their cultural quality, fully demonstrated a good spirit, and laid the foundation for rural cultural advancement.



In recent years, under the guidance of the paired support of urban and rural Party organizations and the new round of comprehensive rural support drive, Shanghai has further accelerated the integrated development of urban and rural areas, increased the farmers' income and enabled the construction of beautiful villages to take initial shape. In the next step, Haitong Securities will dedicate itself to serve the rural vitalization strategy and take further actions to support the implementation of rural vitalization strategy.

Based on the paired support of urban and rural Party organizations, in line with the implementation schedule of the CPC Central Committee and the State Council for rural revitalization, the Company will devise blueprints by taking local conditions into account and moving progressively towards increasingly higher goals, further enrich the content of joint contribution, improve the joint contribution mechanism, and contribute to making agriculture a promising industry, farmers an attractive occupation and the countryside a beautiful home for living and working in peace and happiness.



# Combating COVID-19 in solidarity

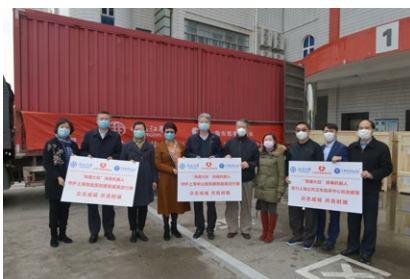
## Actively supporting the anti-virus front

In early 2020, the onslaught of COVID-19 caused disruptions to the people's work and lives. Go where there is epidemic, fight it till it perishes. Haitong Securities paid keen attention to the fight against COVID-19. In line with the general requirements of "united to take science-based and targeted measures and fight the pandemic with confidence", the Company put the pandemic prevention and control at the top of current agenda, took actions to protect the employees' health and ensure customer services, and also actively contributed its share to pandemic prevention and control in Wuhan.

After the outbreak of the pandemic, Haitong Securities decided to support the anti-virus front by urgently purchasing relevant supplies and relieved the urgent shortage of supplies on the front by all means. Against the increasing tight supply of anti-virus materials, the Company searched for the purchasing channels with big efforts and managed to donate 16 boxes of anti-virus supplies and buy 20,000 testing kits, 8,169 medical devices, as well as over 6.28 million anti-virus items, e.g. medical gloves, masks and hand sanitizers.

### Haitong Securities Donated Anti-virus Supplies

Purchased 20 disinfection robots worth RMB6.5 million and donated them to the headquarters of Shanghai Zhongshan Hospital and Ruijin Hospital and their medical teams to Hubei.



Donated 105,000 pairs of disposable nitrile gloves and 1,920 bottles of hand sanitizer to Lixin County and Shucheng County in Anhui Province and Ningdu County in Jiangxi Province, up which the Company paired for support.



Donated 50,000 masks, 5,000 testing kits and 6,250 protective suits worth RMB2 million to the governments of Porto, Portugal, a sister city of Shanghai, and Lisbon, where the subsidiary – Haitong Bank is located.



Donated 1,772 medical devices such as nebulizers, oxygenators and ventilators worth over RMB970,000 to the People's Hospital of Jianli County, Jingzhou City, Hubei Province.



# Combating the virus and benefiting the people's livelihood with financial services

In February 2020, the People's Bank of China and four other ministries and commissions issued a notice, emphasizing the importance of improving bond issuance service efficiency and calling for establishing green channels for funds raised which are primarily for pandemic control or bond issuers who are located in the worst-hit areas.

Haitong Securities immediately set up a leading group for anti-virus bonds, defined the responsibilities of relevant departments, and quickly launched the issuance of anti-virus bonds to support private enterprises with market prospect and technical prowess in carrying out bond financing, so as to timely channel the funds to enterprises on the anti-virus front.

### Incepting Credit risk Mitigation Warrant and Helping Smooth Issuance of Anti-virus Bonds

Chengtay Leasing Co., Ltd. ("Chengtay Leasing") provides financial services such as supply chain and leaseable equipment for enterprises in fields closely related to the pandemic, such as healthcare, logistics, infrastructure, and urban utilities.

In order to relieve Chengtay Leasing's capital pressure and ensure its smooth implementation of pandemic prevention and control work, Haitong Securities successfully incepted the first credit risk mitigation warrant (CRMW) with anti-virus ABN as the underlying asset, effectively leveraging and supporting the financing of RMB595.5 million from "20 Chengtay Leasing (Anti-virus Bond) ABN001", of which no less than RMB70 million was planned to be invested in the construction companies responsible for the renovation of Huoshenshan Hospital, Fangcang hospitals and Xiaotangshan Hospital, and about RMB30 million to alleviate the liquidity squeeze of bus companies which were suspended due to the pandemic.

### Assisting United Investment Group Issuing Anti-virus Bonds

As an important state-owned enterprise in Hubei Province, Hubei United Investment Group Corporation ("United Investment Group") was on the front of pandemic prevention and control in the critical time of COVID-19. To help United Investment Group win the battle against pandemic, Haitong Securities issued "anti-virus bonds" for it, so that it could gain sufficient and effective access to funds from the capital market.



On February 19, 2020, "20 Hubei United Investment Group (Anti-virus Bond) MTN001", for which Haitong Securities acted as the lead underwriter and bookrunner, was successfully issued with a size of RMB1 billion. Part of the funds was used for construction of designated isolation hospitals, development of pandemic prevention and control information platforms, and procurement of medical equipment and supplies.

In 2020, Haitong Securities helped 24 enterprises place 30 issues of anti-virus bonds, underwrote bonds of RMB16,097 million and raised RMB31,234 million for enterprises, including six bonds with underwriting amount of RMB5.07 billion and total financing of RMB6.87 billion for important state-owned enterprises in hardest-hit Hubei.

# Offering a happy workplace

## Increasing employee diversity

Haitong Securities insists on providing employees with an equal and fair working environment and development platform, strives to offer a gender-equal workplace, and make efforts to build a diversified and international talent team to ensure that all employees have easy access to job opportunities.

In September 2020, the Company launched campus recruitment in an effort to detect outstanding fresh graduates with expertise and high quality and reserve a high-quality talent pool for development.

Consistent with the international talent development strategy, the Company actively introduces overseas talents who have studied abroad, and also selects and expatriates suitable talents according to the needs of overseas subsidiaries, thereby strengthening the coordinated management and business at home and abroad.

## Deepening the endeavor to foster talents

With keen attention paid to talent fostering, the Company has developed a diversified and comprehensive employee training system backed by special training, onboard training, special business training, leadership training and business ethics training. In 2020, to actively cope with the pandemic challenge, the Company fully leveraged the bridging and linking function of the platform – Haitong Wealth Management Academy and offered a diverse set of training programs, including online training camp, online training session and livestream training, providing continuous support for employees’ growth and career advancement.

### Training Performance in 2020

In 2020, the Company held **50+** online training sessions; **166** livestream training events;  
Released **1,470** learning and exam-taking tasks; Training over **360,000** employees in total.

The Company placed high premium on providing employees with targeted business training and optimized the online platform – Haitong Wealth Management Academy to launch online training over online customer services and marketing, mutual fund marketing skills and the like. In 2020, the Company completed the optimization and update of the platform (version 3.0), putting in place a course center backed by five branches and one center, and it also created a lecturer pool by consolidating internal and external resources to offer a growth platform featuring rich resources and professional teachers for the employees.

Haitong Wealth Management Academy (version 3.0) newly launched **146** online courses, boasting more than **1,200** courses in over **30** categories and about **80** modules and **316** lecturers, including more than **200** internal lecturers. **18** public courses were given at Haitong Wealth Management Academy in 2020, including lectures on management intelligence, vision, strategy and hot topics, attracting over **80,000** learners.

## “Sailing Plan” Onboard Training

The Company offered six online sessions of “Sailing Plan” onboard training in August and November 2020, covering three modules “Learning Journey”, “Exhibition of Glamor” and “Learning Activity”. It also effectively mobilized the learning enthusiasm of new employees through competition and ranking, and fully improved their practicing skills and professional qualification.



Home page of the “Sailing Plan” online onboard training session

## “Sunflower Plan” In-house Lecturer Training

The Company held an online training for in-house lecturers in June 2020, and 43 employees participated in the training. Through the special training, the employees effectively improved their curriculum development and professional teaching ability and obtained the qualification of in-house lecturer.



## Management’s Leadership Training

The Company attaches importance to the management and leadership improvement of employees and has provided online courses on management using the online course and livestreaming functions of Haitong Wealth Management Academy to improve the management’s operation ability and expertise.

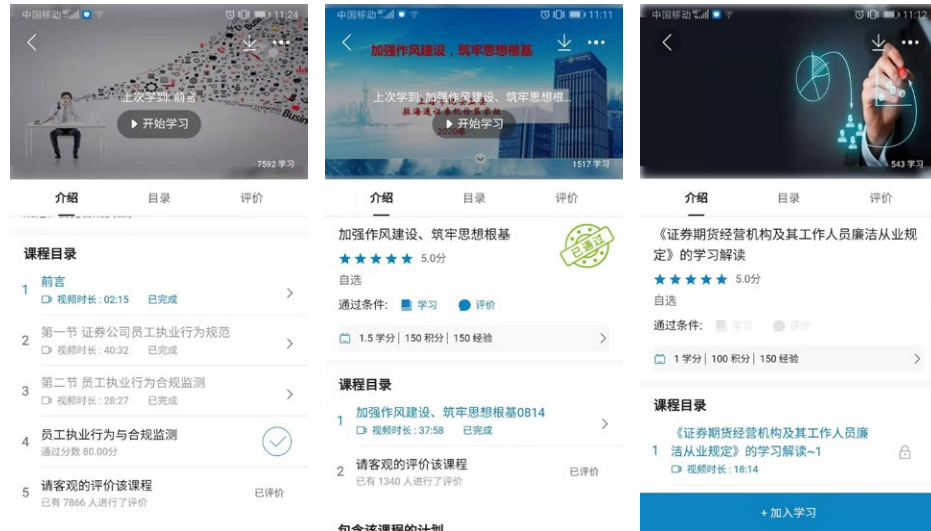
In 2020, the Company organized nine lectures on leadership and management. A total of 757 people, including reserved officers and officers taking office after 2019 attended the training.





## Themed Training on Integrity in Practice

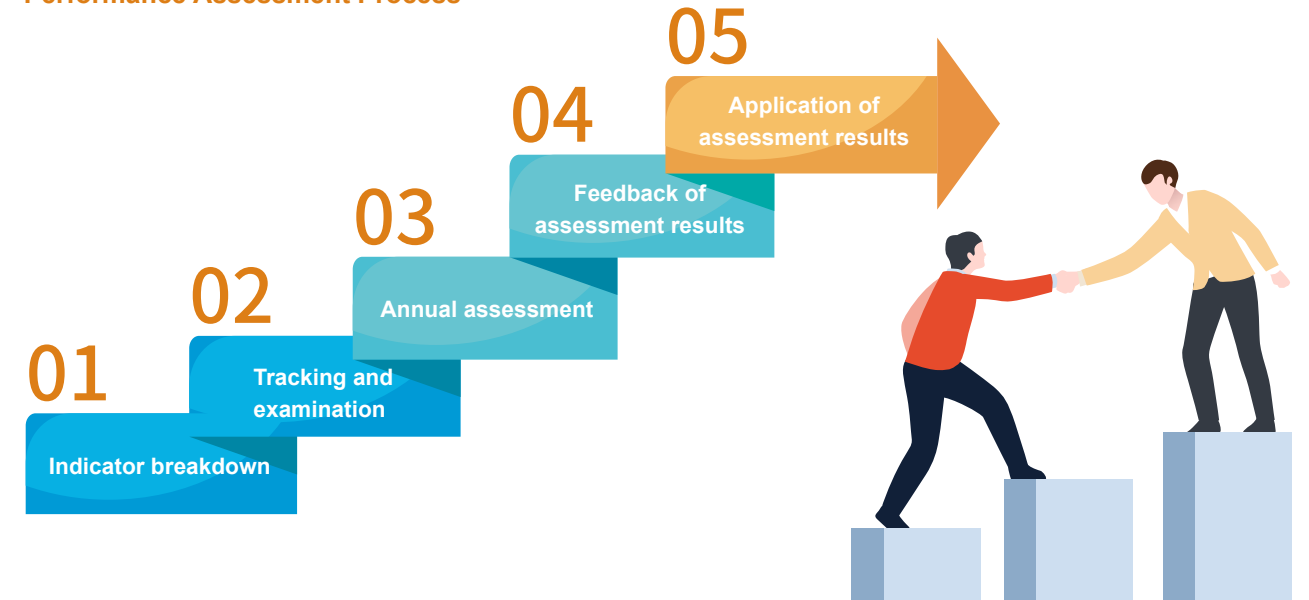
The Company has organized the development of courses on integrity in practice, etc., which are open to all employees and included in the mandatory courses for online training of officers and for new employees. The training covers all employees.



## Performance assessment and petition

In accordance with the *Measures for Performance Management of Haitong Securities Co., Ltd.* and other policies, the Company focuses on building a featured performance assessment system to assess employees' personal performance and overall capabilities in an all-round way, and links the assessment results with multiple aspects, e.g. wage distribution, rank rating, performance-based salary adjustment and promotion to develop scientific and impartial performance assessment criteria.

### Performance Assessment Process



Following the assessment principles of impartiality, transparency and effectiveness and based on the performance assessment management system, the Company has established a reporting, petition and handling mechanism for performance assessment, allowing employees who disagree with the assessment results to request a review within one week to persons in charge. If they still disagree with the review result, the employees may submit a petition to the Human Resources Department within two weeks following the request for review.

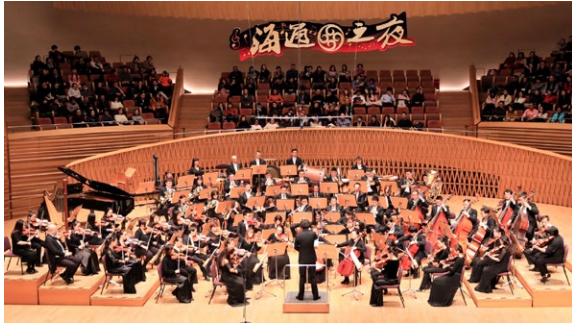
## Creating a vibrant environment

The Company always cares for its employees. Factoring in the employee needs, the "Cool Summer, Warm Winter" and other employee solicitude events have been established as a routine mechanism. Based on employees' autonomous mutual aid clubs, the Company has established a long-term assistance and relief mechanism for employees in difficulties or with serious illness.

Supporting **71** employees in difficulties with RMB **222,000** | Providing aids to **11** employees with serious illness

In the critical time of COVID-19, the Company applied pandemic prevention and control measures at the earliest time possible, urgently placed the special fund for the virus battle, bought anti-virus supplies in scarcity, launched a 24-hour psychological counseling hotline and spent RMB12.28 million (labor union dues) purchasing safety products for employees in a bid to provide them with material and mental support.

The Company advocates a harmonious and healthy style of work and life which strike a balance between work and rest. In 2020, it actively carried out festive activities such as "Haitong Night" New Year Concert and "June 1" parent-child event, and supported various cultural and sports activities to improve the happiness and sense of belonging of employees.



“Haitong Night” New Year concert



“June 1” parent-child activity

# Being enthusiastic with public welfare and charity

## Creating the “Love in Haitong” public welfare brand

In 2015, the Party Committee of Haitong Securities proposed the slogan of “Love in Haitong” for the public good for the first time, aimed at calling on all the Party members and the Group’s employees to integrate the kindness of contributing to the public good anytime and anywhere into the “Great Love of Haitong” for serving the national strategies and performing social responsibilities, and making involvement in charitable acts with love a distinctive feature of all the employees.

In recent years, Haitong Securities has carried out a series of poverty alleviation & public welfare projects and large-scale public welfare activities under the name of “Haitong · Love” with Party building as the guidance, continuously deepening the content of “Love in Haitong” brand, forming the brand meaning of “LOVE”, and enabling the public welfare concept of “Love in Haitong” to gradually gain popularity.



- “L” – “Leading”  
“Haitong · Love” led by Party building
- “O” – “Original”  
“Haitong · Love” staying true to the original aspirations
- “V” – “Value-oriented”  
“Haitong · Love” being value-oriented
- “E” – “Enjoyable”  
“Haitong · Love” making the participation in public welfare enjoyable

## Supporting advances in education

Under the framework of the “Love in Haitong” poverty alleviation & public welfare brand, Haitong Securities has developed a “1 Plus X” public welfare and poverty alleviation model to continuously improve the learning and growth environment of students in poor areas and contribute to the advances in education, with a focus on education, health, culture and other fields and through a public welfare fund and the “Haitong · Love · X” series of public welfare programs.

### “1 Plus X” Public Welfare & Poverty Alleviation Model

“1”	<b>Haitong Public Welfare Special Fund</b> Haitong Public Welfare Special Fund was set up in cooperation with the Shanghai Charity Foundation to support the launch of “Haitong · Love” series of public welfare & poverty alleviation programs. Since 2018, the Fund has disbursed more than RMB7.2 million, benefiting nearly 40,000 recipients in poor counties.
“X”	<b>“Love in Haitong · Beautiful Tibet” Program of Granting Financial Aids to Students</b> The Company financially supported fresh Tibetan college graduates who were poverty-stricken starting in 2018.
	<b>“Love in Haitong · Beautiful Xinjiang” Program of Granting Financial Aids to Students</b> A total of RMB60,000 was granted to 100 primary school students in Zhagunairike Village and Langan Village, Tagaerqi Township, Yarkant County, and over RMB50,000 of grants were paid to six Chinese-Uighur bilingual teachers who were promoting mandarin Chinese education in these two villages.
	<b>“Haitong · Love Reading” Mandarin Promotion and Poverty Alleviation Charity Program</b> The Company donated RMB5 million in 2019 to preschool children and primary and secondary school students of 18 schools in 11 counties of six provinces for buying books on language study and traditional culture and audio teaching facilities.
	<b>“Haitong · Love Health” Water Purification and Warmth Charity Program</b> Together with Yunnan Green Environment Development Foundation, Haitong Securities installed water purification and heating equipment in more than 40 schools in Xichou County, Yunnan Province.
	<b>“Haitong · Love Connection” Renewed Computer Classroom Program</b> Together with Fullgoal Fund, Haitong Securities built one “Haitong Securities” computer classroom and two “Fullgoal Fund” computer classrooms for three primary schools in Ningdu County, Jiangxi Province.
	<b>“Haitong · Love Flies” Program of Inviting Rural Teachers to Shanghai</b> 70 teachers who have dedicated long to education in the countryside from nine provinces, including Anhui Province, Jiangxi Province and Heilongjiang Province, will be funded to attend training in Shanghai each July-August. The donation amounted to RMB700,000.
	<b>“Little Starfish Public Welfare Classroom” Program</b> Young employees of Haitong Securities set up a volunteer service team. The team followed the public welfare programs to Anhui, Jiangxi, Yunnan, Xinjiang, Ningxia and Tibet, bringing financial knowledge popularization courses themed with “Little Starfish Public Welfare Classroom” to local children.



## Donating to education to support the development of education in poor areas

Xichou County in Yunnan Province was covered by the pairing initiative of eliminating poverty in Yunnan with the help from Shanghai. In 2019, Haitong Securities paired with this county and made donations to build Haitong Kindergarten in Mopuzi Village, Dongma Township to help Dongma Township achieve the goal of “one village, one kindergarten”. In September 2020, the kindergarten was completed and opened, admitting a total of 56 school-age children from the whole township, solving the problem of young children being out of school for many years.

After opening as scheduled by overcoming the pandemic challenge, the kindergarten found in the process of operation that it was in urgent need of a high-definition monitoring system. After knowing this, Haitong Capital, a subsidiary of the Company, offered to donate a full set of high-definition monitoring system to Haitong Kindergarten, a move aimed to strengthen campus security and protect the personal and property safety.

In the meantime, the “Little Starfish · Children's Book Collection” charity program was initiated for Haitong Kindergarten by the CYL Committee of the Company. All levels of CYL organizations and employees of Haitong donated more than 3,000 children's books, enriching the mind of the students there.



Donation ceremony of Haitong Securities



“Little Starfish” Children's Book Collection event

## Young employee volunteers in action

Haitong Securities is committed to integrating the “Love in Haitong” charitable concept into its corporate culture. The Company encourages employees to bring together the personal charitable acts to create “great love” as a CSR practice, making the Company and every employee a distinctive contributor to the charitable cause.

### Participating in A Blood Donation Activity Called “Lend A Hand to Those in Need”

In April 2020, young employees of the Company in Shanghai actively participated in a blood donation activity named “Lend A Hand to Those in Need”, making their contribution to the fight against COVID-19.



## Organizing a Children's Book Collection Activity Known as “Love in Haitong: Little Starfish”

In September 2020, the Company organized the “Love in Haitong: Little Starfish” children's book collection activity where employees of the headquarters departments, branches and subsidiaries actively donated their books. Over a thousand books were gathered, packed and sent, along with the book list and the blessing cards, to the Yunnan branch of the Company, so that they could be forwarded and distributed to students in Xichou County, as a move to support the development of local education.



### Employees of Haitong International Labored as Volunteers at the Mai Po Nature Reserve of the World Wildlife Fund (WWF)

The Mai Po Nature Reserve is a major wetland in Hong Kong. Nearly 50 million aquatic birds travel through or spend winter there every year. In June 2020, Haitong International formed a 23-member volunteer team to the reserve under the management of the WWF Hong Kong branch for about two hours of voluntary work. They helped remove invasive plants and creepers to maintain a pro-biodiversity ecological environment there.



# Datasheets

## Economy

Main Business Contribution

Indicator	Unit	2018	2019	2020
Total primary business income	RMB10,000	2,376,501.46	3,486,032.00	3,821,982.83
Total profit before tax	RMB10,000	757,036.69	1,387,192.10	1,575,730.96
Total tax payment	RMB10,000	540,793.61	536,074.71	625,088.16
Total assets	RMB10,000	57,462,363.41	63,679,363.16	69,407,335.07
Basic earnings per share	RMB	0.45	0.83	0.90
Social contribution value per share (SCVPS) <sup>1</sup>	RMB	2.40	2.96	2.96

Note 1:SCVPS = (net profit attributable to ordinary shareholders after deducting non-recurring gains and losses + payments to government + employee wages and benefits + loan interest paid to banks and other creditors + value created for other stakeholders such as donations - other social costs incurred by environmental pollution, etc.) /total number of shares of the Company.

## Environment

The Company advocates a green and low-carbon work style. In compliance with such laws and regulations as the *Law on Energy Conservation of the People's Republic of China* and the *Law on Environmental Protection of the People's Republic of China*, it has developed the rules on energy conservation and environmental protection, and pushed for energy conservation and environment protection by encouraging employees to integrate this concept into their work and life, so as to save social resources, protect environment and reduce pollution. In 2020, the Company found no confirmed environmental violations with a significant impact on the Company.

### Energy consumption and greenhouse gas (GHG) emissions

The main energy sources used in the ordinary course of business of the Company include electric power, natural gas and gasoline consumed by business vehicles. In 2020, the Company made great efforts to promote the energy saving and emission reduction measures and practiced the environmental protection concept with practical actions.

Energy Conservation and Emission Reduction Measures

- The Company advocates rational use of electricity, with air conditioners working with a floor of 26°C in summer and a ceiling of 20°C in winter;
- Office equipment is put to sleep while idle to avoid unnecessary lighting and office equipment running;
- The Company regularly maintains in-house vehicles to ensure their functionality and improve the utilization rate of gasoline;
- Video conferencing is used reasonably to reduce travel frequency and travel-related GHG emissions;
- Smart operations of the data centers are advanced to save energy of equipment and raise resource utilization rate.

GHG Emissions and Energy Efficiency Indicators<sup>1</sup>

Indicator	Unit	2018	2019	2020
GHG emissions <sup>2</sup>	Ton of CO <sub>2</sub> equivalent	9,258.25	8,591.36	9,717.57
GHG emissions per unit area	Ton of CO <sub>2</sub> equivalent/m <sup>2</sup>	0.11	0.10	0.10
Total power consumption	kWh	11,795,625	10,992,063	10,839,657
Power consumption per unit area	kWh/m <sup>2</sup>	134.86	122.43	111.57
Total natural gas consumption	m <sup>3</sup>	96,336	112,802	84,545
Natural gas consumption per unit area	m <sup>3</sup> /m <sup>2</sup>	2.25	2.64	1.97
Total gas consumption of the Company's own vehicles	Liter	277,511.84	226,837.27	232,179.07
Energy consumption of Guangdong Road Data Center	kWh	4,358,060	4,670,300	4,913,244
Energy consumption of South Data Center	kWh	1,760,000	2,105,370	2,851,549
Energy consumption of SSE Data Center	kWh	850,000	882,762	1,061,527

Note 1:The data on GHG emissions, power consumption and gas consumption of the Company's own vehicles covers the headquarters of Haitong Securities, its branches and the headquarters of HFT Investment Management, Haitong-Fortis PE, Haitong Futures, Haitong International Holdings, Haitong Capital, Haitong Innovation Securities and HT Asset Management, and the rest data covers the headquarters of Haitong Securities.

Note 2:The GHG emissions are estimated by combining the emissions directly generated from the Company's natural gas consumption and vehicle gas consumption, and indirectly generated from outsourced power. Figures of GHG emission factors in 2018 and 2019 referred to the average CO2 emission factors of Chinese regional power grids issued by the National Center for Climate Change Strategy and International Cooperation (2012) and the Appendix to Environmental, Social and Governance Reporting Guide issued by the Stock Exchange of Hong Kong Limited (2015). And, the 2020 figures were updated according to *How to Prepare an ESG Report? Appendix 2: Reporting Guidance on Environmental KPIs*.

### Water resource management

The Company uses municipal water as its main source of water. Its water consumption mainly goes to domestic water consumed in office work.

The Company encourages its employees to save water, giving priority to purchasing water-efficient appliances. Timely repairs are conducted, and inspectors examine and turn the tap off after work to avoid waste of water. Wastewater generated from office work is discharged into the municipal sewer network leading to the urban wastewater treatment plant for central treatment, thereby reducing the environmental impact.

Water Consumption Performance Indicators<sup>1</sup>

Indicator	Unit	2018	2019	2020
Total water consumption	Ton	53,541.99	40,496.47	42,596.28
Water consumption per unit area	Ton/m <sup>2</sup>	0.61	0.45	0.44

Note 1: The data covers the headquarters of Haitong Securitie, its branches and the headquarters of HFT Investment Management, Haitong-Fortis PE, Haitong Futures, Haitong International Holdings, Haitong Capital, Haitong Innovation Securities and HT Asset Management

### Waste management

Main solid wastes generated by Haitong Securities are divided between harmless wastes (e.g. kitchen wastes, office papers, parcel delivery cartons and glass) and hazardous wastes (e.g. e-garbage and toner cartridges).



The Company has sorted solid wastes in accordance with the *Shanghai Regulations on Domestic Waste Management*. Office and domestic wastes were collected and removed by the property management function of the Company. For e-waste, toner cartridges and other hazardous wastes, the Company has designated their storage locations and regularly had them disposed of by qualified firms.

Waste-related Performance Indicators<sup>1</sup>

Indicator	Unit	2018	2019	2020
Number of paperless office operations	Time	191,393	189,930	245,945
Number of sheets saved by paperless office <sup>2</sup>	Sheet	958,465	949,650	1,229,725
Quantity of electronic wastes <sup>3</sup>	Piece	203	659	915

Note 1: The data covers the headquarters of Haitong Securities.

Note 2: The number of sheets saved by paperless office only includes those saved by the OA system.

Note 3: E-waste includes old computers, printers, servers and exchangers.

Note 4: The Company has not yet made statistics on harmless wastes.

Society

Recruitment and employment

Haitong Securities strictly abides by the *Labor Law of the People's Republic of China*, the *Employment Contract Law of the People's Republic of China* and other national laws and regulations, insisting on creating an equal and impartial development platform and job environment for all employees. The Company prohibits discrimination based on religion, family, disability and other factors. It always upholds the principle of gender equality in employment, embraces a diversified and internationalized workforce and ensures equal access to work opportunities for all employees.

The Company manages employees' human rights protection, wages and benefits, working hours, leaves and democratic participation properly in accordance with relevant in-house policies and rules, including the *Employee Handbook*, the *Provisions on Employees' Annual Leave Management*, the *Management Measures for Compensation of Haitong Securities Co., Ltd. (Trial)* and the *Collective Contract on Special Interests Protection of Female Employees of Haitong Securities Co., Ltd.* In 2020, the Company used no child labor or forced labor.

Protection of human rights	<ul style="list-style-type: none"><li>Checking labor intensity regularly and prohibiting forced labor</li><li>Verifying employee identity strictly to ensure no use of child labor</li><li>Setting out dismissal terms and conditions and establishing lawful dismissal procedures</li></ul>
Remunerations and benefits	<ul style="list-style-type: none"><li>Market-based level of remuneration, performance-linked pay</li><li>Full and timely contribution to social security programs and housing provident funds</li><li>Providing supplementary medical insurance, housing allowances, corporate annuity plans and other additional benefits</li></ul>

Working hours and leaves

- Standard working hours: 40 hours/week
- Public holidays, annual leave, sick leave, marriage leave, maternity leave, etc.

Democratic management

- Employees' Congress promotes democratic management
- Labour union safeguards employee rights and interests

In 2020, the Company further improved its remuneration management plan, formulated the *Plan of Haitong Securities Co., Ltd. for Implementing the Reform of Wage Determination Mechanism* and the *Implementation Plan for Further Deepening the Reform of Professional Managers' Remuneration System*, established a sound mechanism of salary determination and normal growth linked to its economic efficiency and labor productivity, and further deepened the reform of professional managers' remuneration system on the principles of "market-oriented selection and recruitment, contractual management, differentiated remuneration and market-oriented withdrawal".

The Company attaches great importance to the protection of female employees. It implements the *Provisions on Scope of Prohibited Work of Female Employees* and other policies, pays due remuneration for special periods like marriage leave, maternity leave and breastfeeding leave and ensures reasonable leave arrangements for female employees in their special periods.

Every year, the Company conducts employee satisfaction survey among departing employees, and listens to employees' opinions from various aspects such as work content and intensity, salary and benefits, training and assessment, career development, etc., so as to fully understand employees' opinions and suggestions and lay the foundation for further improvement of its management. In 2020, employees' satisfaction with the Company came in at 100%.

Employment Performance Indicators<sup>1</sup>

Indicator		Unit	2018	2019	2020
By gender	Number	Person	5,653	5,718	5,910
	Male	Person	3,194	3,235	3,371
	Female	Person	2,459	2,483	2,539
By employment type	Full-time labor contractual employees	Person	5,653	5,718	5,910
	Full-time external contractual employees	Person	0	0	0
	Part-time employees	Person	0	0	0
By age group	> 50 years old	Person	374	440	495
	30 to 50 years old	Person	3,904	3,727	3,920
	< 30 years old	Person	1,375	1,551	1,495
By geographic region	The mainland	Person	5,646	5,713	5,904
	Overseas (including Hong Kong, Macao and Taiwan)	Person	7	5	6
Employee turnover rate <sup>2</sup>		%	6.33	5.10	5.47
By gender	Male	%	4.02	3.30	6.44
	Female	%	2.31	1.80	4.17
	> 50 years old	%	0.07	0.05	0.81
By age group	30 to 50 years old	%	3.89	2.60	4.59
	< 30 years old	%	2.37	2.45	9.30
By geographic region	The mainland	%	6.33	5.07	5.47
	Overseas (including Hong Kong, Macao and Taiwan)	%	0	0.03	0

Note 1: The data covers the Headquarters of Haitong Securities.

Note 2: The formula for employee turnover rate in 2019 and 2018 was: turnover rate of a category of employees = number of this category of employees leaving the Company during the year / total number of employees at the end of the year; the formula for employee turnover rate in 2020 was changed to: turnover rate of a category of employees = number of this category of employees leaving the Company during the year / number of this category of employees at the end of the year.

Employee training and education

The Company has continuously improved the professional management of employees' career growth. It carries out specific work in terms of policy improvement, curriculum system building, trainer training, online learning platform building, training program implementation and learning activity, and has made in place a training system for all the employees covering special training, onboard training, special business training, leadership training and business ethics training in a bid to beef up the growth of employees with the Company.

For the purpose of fostering international, professional and high-caliber excellent employees, the Company formulated the *Reward Rules for Qualification Certificate of Professional Technology of Haitong Securities Co., Ltd.* to provide a pro-rata reimbursement of exam fees to employees who have passed professional certification exams, thus encouraging employees to make further breakthroughs in their personal ability and versatility in addition to their job skills.

In 2020, the Company gave rewards to 95 employees who obtained professional qualification certifications including Certified Public Accountant (CPA), Certified Financial Analyst (CFA), Financial Risk Managers (FRM) and Project Management Professionals (PMP), supporting their capability enhancement.

Employee Training Performance Indicators<sup>1</sup>

Indicator		Unit	2018	2019	2020
Number of employees trained		Person-times	101,963	263,074	360,000
Employee training expenditure		RMB10,000	1,096.00	1,254.18	635.00
Coverage of employee training <sup>2</sup>		%	100	100	100
By gender	Female	%	100	100	42.96
	Male	%	100	100	57.04
By employee category	Senior management	%	100	100	0.24
	Medium management	%	100	100	12.67
	Ordinary employees	%	100	100	87.09
Training hours per employee per year <sup>3</sup>		Hours	23.00	25.00	33.67
By gender	Female	Hours	23.00	25.00	33.70
	Male	Hours	22.00	25.00	33.65
By employee category	Senior management	Hours	17.00	25.00	32.71
	Medium management	Hours	17.00	25.00	34.54
	Ordinary employees	Hours	24.00	25.00	33.67

Note 1:The data covers the Headquarters of Haitong Securities

Note 2: In 2018 and 2019, training coverage of a category of employees = number of employees in this category trained / number of employees in this category. In 2020, according to *How to Prepare an ESG Report? Appendix 3: Reporting Guidance on Social KPIs* issued by the Stock Exchange of Hong Kong Limited (March 2020), the calculation method was changed to: Training coverage of a category of employees = number of employees in this category trained / total number of employees trained.

Note 3: Hours of training for an employee in a category per year = total hours of training for employees in this category / total number of employees in this category.

Note 4: Due to COVID-19, employee training programs were mainly launched online over the platform – Haitong Wealth Management Academy in 2020. Therefore, employee training inputs decreased over the prior two years in the year.

Employee health and safety

The Company commits itself to preventing and reducing the damage of occupational diseases to health. It regularly organizes employee health check-ups and keeps providing employees with psychological assistance, mental health education and other employee assistance programs (EAP). Professional methods are used to help ease employees' psychological stress, improve their psychological quality and balance their physical and mental health.

In 2020, the Company found no violations related to employees' occupational health and safety.

Occupational Health and Safety Performance Indicators<sup>1</sup>

Indicator	Unit	2018	2019	2020
Employee health checkup rate	%	90	90	100
Work-related deaths	Person	0	0	0
Days lost due to work-related injuries <sup>2</sup>	days	0	281	0
Incidence of occupational diseases among employees	%	0	0	0

Note 1:The data covers the Headquarters of Haitong Securities.

Note 2: In 2019, two work-related injury incidents occurred at the Company, one of which involved many working days lost due to work-related injuries because the injured employee was off work for recuperation throughout 2019.

Intellectual property management

The Company strictly protects its own, customers' and third parties' intellectual property and business information in accordance with the *Trademark Law of the People's Republic of China*, the *Patent Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China* and the *Regulations on the Protection of Computer Software* and other relevant laws and regulations.

The Company has vigorously promoted the standardization and legalization of office software. Employees' office software skills and sense of software legalization have been enhanced by means of centrally purchasing domestic office software kits and organizing staff training on office software skills. In addition, the Company has centrally managed software installation and use via the office desktop cloud and achieved a 100% genuine rate of software on the office desktop cloud.

Supply chain management

As a financial company, Haitong Securities mainly deals with information technology hardware and software suppliers, office suppliers, facility and equipment suppliers, and relevant service providers.

The Company has formulated the *Measures for Procurement Management of Haitong Securities* to continuously improve the supplier access and screening process and strengthen the supplier evaluation system. Before confirming cooperation with a supplier, the Company will inquire the supplier's information and credit on the internally-developed platform "E Hai Zhi Xin", as well as external information websites such as the National Enterprise Credit Information Publicity System and Credit China, and will not consider suppliers with bad records in the environment, taxation, business ethics and other social responsibilities.

On the principle of honesty and credit worthy, integrity and self-discipline, the Company requires employees involved in bid opening and evaluation to strictly abide by the *Self-discipline Regulations on Integrity* and all suppliers to sign the *Integrity Agreement* and provide supporting materials on committing no bribery crimes. It also strictly monitors and prevents all kinds of commercial bribery, bid-rigging and other misconducts in procurement, and advocates a clean and upright procurement environment.

The Company attaches importance to the environmental and social impacts of suppliers and requires suppliers to comply with and implement laws and regulations on environmental protection, safe construction and labor management, weighs up assessment on environmental protection, safe construction, labor management and fulfillment of industry responsibilities in the supplier evaluation system, and promotes suppliers to improve their environmental and social performance. In addition, the Company actively practices green procurement and will give extra points in supplier evaluation to suppliers who have environmental management system certification or provide green certified products.



Customer protection

The Company formulated the *Administrative Measures for Customer Complaints of Haitong Securities Co., Ltd.* in accordance with the *Guidelines on Further Strengthening the Protection of the Legitimate Rights and Interests of Small and Medium-Sized Investors in Capital Market* and the *Provisions on Strengthening the Management of the Securities Brokerage Business*. The policy sets out the roles and responsibilities related to customer complaints, the complaint handling mechanism, complaint-related emergency response mechanism and accountability for complaint handling, thus standardizing the customer inquiry and service procedures.

The Company has in place 24/7 customer inquiry and complaint channels. Its customer service hotline 95553, official website and WeChat Official Account, e-HaitongCai APP and online trading platforms enable a combination of inquiries by telephone, online and through smart service, effectively protecting the quality and efficiency of customer services and safeguarding the rights and interests of customers.

Customer Service Performance Indicators

Indicator		Unit	2018	2019	2020
Number of customer inquiries	By telephone <sup>1</sup>	Piece	435,583	467,343	564,039
	Online inquiries <sup>1</sup>	Piece	154,705	256,001	422,447
	Smart service <sup>2</sup>	Piece	1,313,481	1,745,819	2,812,413
Of which: number of complaints		Piece	90	191	175
Ratio of complaints solved <sup>3</sup>		%	96.70	100	100
Number of customer satisfaction surveys	By telephone <sup>1</sup>	Time	71,516	54,263	68,489
	Online <sup>1</sup>	Time	62,301	97,708	133,454
Customer satisfaction	By telephone	%	95.40	99.83	99.83
	Online	%	93.99	99.97	99.98

Note 1: Online inquiries refer to the total inquiries answered by customer service agents on internet platforms, such as Haitong Securities' official website, WeChat Official Account and e-HaitongCai APP.

Note 2: Smart service refers to inquiries answered by the intelligent customer service on e-HaitongCai APP.

Note 3: Ratio of complaints solved = number of complaints settled / total number of complaints.

The Company sells financial products in accordance with the *Regulations on the Supervision and Administration of Securities Companies, the Provisions on Agency Distribution of Financial Products by Securities Companies* and the *Code of Self-discipline for Practitioners in the Fund Industry*, ensuring customers' access to true and complete product information and adequate protection of investors. The Company also has strengthened the management and audit of advertising pursuant to China's *Advertising Law* and requirements of competent regulatory authorities.

Community investment

Since 2008, the Company has devoted itself to eradicating poverty and helping the poor incessantly. By advancing a series of work such as pairing for support, targeted assistance and winning the tough battle against poverty, the Company has forged the Party building-guided anti-poverty and charity brand "Love in Haitong" and achieved positive outcomes.

Charity Performance Indicators

Indicator	Unit	2018	2019	2020
Number of participants in volunteer services	Person-time	272	552	800
Number of volunteer service hours	Hour	1,200	1,036	800
Charity donations	RMB10,000	1,008.25	1,628.38	3,183.90
Total spending on targeted poverty alleviation	RMB10,000	1,030.49	2,229.51	1,464.57
Number of registered poor people lifted out of property	Person	1,746	2,924	2,061



# Report Index

## Index of Guidelines on Environmental Information Disclosure of Listed Companies on SSE

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## Index of Environmental, Social and Governance Reporting Guide (2019) on Hong Kong Stock Exchange

This version was released in 2019 and is effective for fiscal years beginning on or after July 1, 2020

Aspects, General Disclosures and KPIs	Description	Section
Subject Area A. Environmental		
Aspect A1: Emissions		
General Disclosure A1	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Response to climate change Datasheets
KPI A1.1	The types of emissions and respective emissions data.	Datasheets
KPIA 1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Datasheets
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Datasheets
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Datasheets
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Response to climate change Datasheets
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Datasheets
Aspect A2: Use of Resources		
General Disclosure A2	Policies on the efficient use of resources, including energy, water and other raw materials.	Response to climate change Datasheets
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Datasheets
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Datasheets
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Response to climate change Datasheets



KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Datasheets
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	This indicator is not applicable for the Company mainly provides financial products and services
Aspect A3: The Environment and Natural Resources		
General Disclosure A3	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Response to climate change Datasheets
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Response to climate change Datasheets
Aspect A4: Climate Change		
General Disclosure A4	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Response to climate change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Response to climate change
Subject Area B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure B1	Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Offering a happy workplace
KPI B1.1	Total workforce by gender, employment type (for example, full- or part- time), age group and geographical region.	Datasheets
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Datasheets
Aspect B2: Health and Safety		
General Disclosure B2	Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Datasheets

KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Datasheets
KPI B2.2	Lost days due to work injury.	Datasheets
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Datasheets
Aspect B3: Development and Training		
General Disclosure B3	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Offering a happy workplace Datasheets
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Datasheets
KPI B3.2	The average training hours completed per employee by gender and employee category.	Datasheets
Aspect B4: Labour Standards		
General Disclosure B4	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Datasheets
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Datasheets
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Datasheets
Subject Area B. Social		
Aspect B5: Supply Chain Management		
General Disclosure B5	Policies on managing environmental and social risks of the supply chain.	Datasheets
KPI B5.1	Number of suppliers by geographical region.	Datasheets
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Datasheets
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Datasheets
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Datasheets
Aspect B6: Product Responsibility		

General Disclosure B6	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Providing High-quality Customer Services Datasheets
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	This indicator is not applicable for the Company mainly provides financial products and services
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Providing High-quality Customer Services Datasheets
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Datasheets
KPI B6.4	Description of quality assurance process and recall procedures.	This indicator is not applicable for the Company mainly provides financial products and services
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Datasheets
Aspect B7: Anti-corruption		
General Disclosure B7	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
Aspect B8: Community Investment		
General Disclosure B8	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Being Enthusiastic with Public Welfare and Charity Datasheets
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Datasheets
KPIB 8.2	Resources contributed (e.g. money or time) to the focus area.	Datasheets

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## Definitions

In this Report, unless the context otherwise requires, the following terms and expressions have the meanings set forth below:	
“A Share(s)”	Domestic shares of the Company, with a nominal value of RMB1.00 each, which are listed and traded on the Shanghai Stock Exchange
“Company” or “Haitong Securities”	Haitong Securities Co., Ltd.
“CSRC”	The China Securities Regulatory Commission
“ETF”	Exchange Traded Fund
“Fullgoal Fund”	Fullgoal Fund Management Company Limited（富國基金管理有限公司）
“Group”	The Company and its subsidiaries
“H Share(s)”	Ordinary shares of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in HK dollars and are listed on the Hong Kong Stock Exchange
“Haitong Bank”	Haitong Bank, S.A.
“Haitong Capital”	Haitong Capital Co., Ltd.（海通開元投資）
“Haitong-Fortis PE”	Haitong-Fortis Private Equity Fund Management Co., Ltd.（海富產業投資基金管理有限公司）
“Haitong Futures”	Haitong Futures Co., Ltd.（海通期貨股份有限公司）
“Haitong Innovation Securitie”	Haitong Innovation Securities Investment Co., Ltd.（海通創新證券投資有限公司）
“Haitong International Holdings”	Haitong International Holdings Limited（海通國際控股有限公司）
“Haitong International” or “Haitong International Securities”	Haitong International Securities Group Limited（海通國際證券集團有限公司），listed on the Hong Kong Stock Exchange, stock code: 665
“HFT Investment Management”	HFT Investment Management Co., Ltd.（海富通基金管理有限公司）
“Haitong UniTrust”	Haitong UniTrust International Leasing Co., Ltd.（海通恒信國際租賃股份有限公司），listed on the Hong Kong Stock Exchange, stock code: 1905
“HT Asset Management”	Shanghai Haitong Securities Asset Management Co., Ltd.（上海海通證券資產管理有限公司）
“Hong Kong Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“IPO”	initial public offering
“NEEQ”	National Equities Exchange and Quotations（全國中小企業股份轉讓系統）
“Reporting Period”	From 1 January 2020 to 31 December 2020
“Shanghai Weitai Propertie”	Shanghai Weitai Properties Management Co., Ltd.（上海惟泰置業管理有限公司）
“SSE”	The Shanghai Stock Exchange
“SZSE”	The Shenzhen Stock Exchange

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# About the Report

This is the 11<sup>th</sup> CSR Report issued by Haitong Securities Co., Ltd., aiming to disclose the Company's economic, social and environmental initiatives and accomplishments to the stakeholders.

### • Scope of Report

Organizational scope: The same as the scope of the consolidated annual financial statements of the Company unless otherwise specified.

Time span: January 1, 2020 to December 31, 2020

Frequency of issuance: The Report is issued annually.

### • Data Description

The data and cases in the Report are sourced from the original records or financial reports on the actual operation of Haitong Securities and its subsidiaries. The financial figures are denominated in RMB. In case of any discrepancy between the Report and the financial reports, the latter shall prevail. Searches in the environmental databases of the Shanghai Qingyue Environmental Protection Information Technology Service Center showed no negative environmental records of Haitong Securities and its subsidiaries involved in this report.

### • Basis of Preparation

The Report is prepared based on *Notice on Strengthening CSR Work of Listed Companies & Issuing Guidelines on Environmental Information Disclosure of Listed Companies on SSE* and *Notice on Further Improving Disclosure of Poverty Alleviation Information of Listed Companies* issued by Shanghai Stock Exchange, as well as Appendix 27 *Environmental, Social and Governance Reporting Guide (2015)* to the Hong Kong Listing Rules and the *ESG Guide Consultation Conclusions (2019)* issued by Hong Kong Stock Exchange. Meanwhile, this Report has quoted some standards from and the *Sustainability Reporting Standards (2016)* issued by the Global Reporting Initiative.

### • Publication Format

The Report is available in the format of PDF at

<http://www.sse.com.cn>

<http://www.hkexnews.hk>

<http://www.htsec.com>