



海通恆信國際融資租賃股份有限公司
Haitong Unitrust International Financial Leasing Co., Ltd.
(A joint stock company incorporated in the People's Republic of China with limited liability)
Stock Code: 1905



2021

*Environmental, Social and
Governance Report*

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About the Report

This is the third Environmental, Social and Governance Report (the “ESG Report”) issued by Haitong Unitrust International Financial Leasing Co., Ltd. (the “Company”, or “Haitong Unitrust”), aiming to disclose the Company’s environmental, social and governance initiatives and accomplishments to the stakeholders.

REPORTING STANDARDS

The Report is prepared based on the Environmental, Social and Governance Reporting Guide (version effective from January 1, 2022) set out in Appendix 27 of the Listing Rules issued by The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”).

REPORTING PRINCIPLES

The ESG Report complies with the reporting principles in the Environmental, Social and Governance Reporting Guide of the Hong Kong Stock Exchange including:

Materiality: Based on the principle of materiality, the ESG Report determines the major issues to be responded herein via materiality analysis and provides key disclosures of environmental, social and governance matters with potential significant impacts on the investors and other stakeholders.

Quantitative: Based on the principle of quantitative, the ESG Report discloses the quantitative key performance indicators (“KPIs”), gives the description of such KPIs, and provides the calculation basis and assumptions.

Balance: Based on the principle of balance, the ESG Report reflects the objective facts and discloses indicators involving both positive information and negative information.

Consistency: Based on the principle of consistency, the ESG Report clearly illustrates the method of statistics compilation and statistical data of the ESG quantitative KPIs, and maximizes the consistency of indicators and calculations used for different reporting periods to reflect the tendency of performance level.

REPORTING LANGUAGES

This ESG report is prepared in traditional Chinese and English. In case of any discrepancies between the Chinese and the English versions, the traditional Chinese version shall prevail.

REPORTING SCOPE

Organizational scope: The ESG Report covers Haitong Unitrust International Financial Leasing Co., Ltd. and its subsidiaries within the scope of consolidated financial statements in the Annual Report.

Reporting period: From January 1, 2021 to December 31, 2021.

Issuing cycle: The ESG Report is issued annually.

DATA DESCRIPTION

The data and cases in the ESG Report are derived from the original records or financial reports on the actual operation of the Company. The financial figures are presented in RMB. In case of any inconsistency between the ESG Report and the annual financial report, the annual financial report shall prevail. Based on the search results in environmental databases of EPMAP, during the Reporting Period, there are no negative environmental records related to the Company and its subsidiaries covered in the ESG Report.

RELIABILITY ASSURANCE

The Board guarantees that there are no false information, misleading statements or material omissions in this report.

1. ESG Management Statement of the Board

Based on the principle of high-quality and sustainable development, the Company's ESG vision is to "satisfy our shareholders, gain trust in our customers, make our employees proud, be friendly to the environment, and gain social recognition". With due consideration of our business and demand of various stakeholders, the Company pursues the ESG management strategy covering responsibilities towards shareholders, customers, employees, environment and society. The Company enhances its ESG management through the optimization of ESG governance structure, setting ESG management targets and strengthening the promotion of ESG concept in order to achieve our ESG vision.

Optimization of ESG structure. Effective ESG management requires attention from the senior management and the participation of all employees. The Company scaled up ESG management to a strategic level and built a top-down ESG governance structure in January 2022. The Board is responsible for supervising ESG tasks and undertaking general responsibilities. The Environmental, Social and Governance Committee (the "ESG Committee") of the Board and the Environmental, Social and Governance Working Group (the "ESG Working Group") under the ESG Committee were established to carry out ESG initiatives of the Company and to ensure the continuous and effective implementation of ESG tasks of the Company.

Setting ESG management targets. To align with its operating conditions, the Company formulated targets on aspects including greenhouse gas emission, energy management, water resources management and waste management. The Company reviews relevant ESG performance and target achievement of the previous year annually and ensures the ESG performance is disclosed in the ESG Report so as to encourage the fulfilment of ESG performance target.

Strengthening the promotion of ESG concept. To raise ESG awareness of all employees, the Company organized the training program in respect of "ESG Management Requirements and Domestic and Foreign ESG Practices" in 2021, for all staff to enhance the promotion of ESG concept throughout the Company and strengthen the ESG-related knowledge and professional skills of directors and staff.

For the management of material topics, in 2021, the Company stringently safeguarded the bottom line of compliance in close response to the regulatory policies of the financial leasing industry. Measures were also taken to optimize "risk management", "operation compliance" and "serving the real economy". As China pursues its carbon peak and carbon neutrality goals with more specific measures, the Company will further improve its management in terms of "climate change mitigation and adaptation efforts" and "green finance".

In 2021, Haitong Unitrust strictly followed national strategies and policies and responded to the requirement of quality economic development. Adhering to our "Practical, Pioneering, Robust and Excellent" operation concepts, we further optimized our service capability, quality and depth for the real economy. We also built a business ecosystem, which integrates funds, industries and customer resources, for green traveling service, photovoltaic storage, culture and tourism, education, energy saving and environmental protection and other sectors. These efforts paved the way for the high-quality and sustainable development of Haitong Unitrust.

1. ESG Management Statement of the Board

In 2021, Ding Xueqing, the chairman of the Company, was elected as the executive president of Shanghai Leasing Trade Association. Under the guidance of Shanghai Municipal Financial Regulatory Bureau, he cooperated with all the members of the association to create synergy effects for supporting the financial leasing industry to provide leasing services for the real economy.

Looking forward, the Company will pursue its mission of “Supporting Industries with Comprehensive Financial Services to Co-create A Better Future for Society”. Committed to its mission of providing leasing services, the Company will also strive for its goal of creating a win-win situation through its business ecosystem, and persevere in supporting the national strategies and serving the real economy. Efforts will also be made to create long-term and stable return for its shareholders, create value for customers with its technological initiatives, build a platform that enables the harmonic development of employees, facilitate the transformation to green and low-carbon development and enhance its integration with the community. As such, the Company will be able to create a better future with its stakeholders.

2. Sound Operation and Stronger Corporate Governance

2.1 ESG CONCEPT AND MANAGEMENT

- **STRENGTHENING ESG MANAGEMENT**

The Company adheres to its role as a financial service provider of the real economy and seizes the huge opportunities arising from the major transformation of economy of China. The Company also pursues the operating strategies of “Cross-border Thinking, Promoting Innovative Development, Strengthening Our Capacity and Grasping Business Opportunities”, to implement the development strategy of “One Big and One Small” and “One Body, Two Wings”. The Company is committed to becoming a benchmark financial leasing enterprise in China that can lead the new pattern of the industry with outstanding service level and strong sustainable growth in order to create value for the stakeholders of the Company.

The Company actively incorporates the ESG concept into various aspects of our business management, continuously and earnestly implements our responsibility concept and commitment to stakeholders, and promotes the sustainable development of the Company and stakeholders through refining its ESG structure, establishing objective of ESG management and putting efforts in the promotion of ESG concept.

Close attention of officers and the participation of all employees are essential to the effective ESG management. In January 2022, the Company established a top-to-bottom ESG management structure with the Board of the Company participating in the consideration and decision-making of major ESG issues, supervising the ESG work of the Company and taking the whole responsibilities. The ESG Committee has been established under the Board which is responsible for guiding and supervising ESG work under the authorization of the Board. The ESG Working Group has been established under the ESG Committee. It is headed by the office of the Board and takes charge by relevant functional and business departments to implement ESG work to guarantee the consistent and effective implementation of ESG work.

2. Sound Operation and Stronger Corporate Governance

ESG Management Structure of Haitong Unitrust

The Board

Supervising ESG work and shouldering overall responsibilities for the ESG work

- to assess and determine risks and opportunities related to ESG management of the Company;
- to ensure proper and effective ESG risk management and internal control system;
- to determine the Company's ESG management principles, strategy, priority and targets;
- to review performance of our Company regularly against the ESG targets;
- to review and approve disclosed materials in the ESG report of the Company.

ESG Committee

Guiding and supervising ESG work under the authorization of the Board

- to guide and review the overall ESG concept, objective and strategy, the identification and priority of ESG issues, supervise the formulation of ESG management performance objectives of the Company, review the achievement of such objectives and make recommendations on the actions to achieve such objectives;
- to review the annual ESG report and the disclosure of ESG-related information;
- to identify and assess risks and opportunities related to ESG;
- to supervise the performance of above-mentioned duties and other duties conferred by the Board.

ESG Working Group

Implementing the ESG work practically

- to draft the overall ESG strategies of the Company, including ESG concept, objective and strategy;
- to formulate the ESG objectives for all departments, supervise the performance of all departments and report the achievement of such objectives to the ESG Committee and the Board regularly;
- to formulate and implement ESG work plan based on the management direction, strategies and objectives of ESG management of the Company;
- to assist in the preparation of the annual ESG report and the disclosure of ESG-related information of the Company;
- to identify risks related to ESG of the Company and assess the effect of such risks on the Company;
- to compile training materials related to ESG training and organize such ESG training for the Board.

2. Sound Operation and Stronger Corporate Governance

The Board fully performed its duties of considering, decision-making and supervising on ESG issues. In 2021, the Board considered and approved proposals related to the corporate governance, information disclosure, risk management and community investment as well as other ESG issues.

ESG Issues Considered by the Board in 2021

ESG topics	Proposal
Corporate governance	The <i>Administrative Measures for Investor Relations</i> (《投資者關係管理辦法》) and other policies on corporate governance were considered and approved.
Information disclosure	The 2020 annual report including the 2020 ESG report and containing the action to cope with climate change, employee development and training, customer services and communication, was considered and approved.
Risk management	The <i>Administrative Measures for Comprehensive Risk Management (2021 Revision)</i> (《全面風險管理辦法》(2021年修訂)), 2020 annual risk evaluation report and 2021 interim risk evaluation report was considered and approved to supervise the establishment, implementation and operation of risk management system.
Community investment	The <i>Proposal on the Donations of the Company</i> (《關於公司對外捐贈的議案》) and <i>Proposal on the General Authorization for Donations of the Company and its Subsidiaries</i> (《關於公司及子公司對外捐贈的一般性授權議案》) was considered and approved to effectively consolidate the achievements of poverty alleviation in deprived regions and enhance the effectiveness of donations management of the Company.

- **COMMUNICATION WITH STAKEHOLDERS**

Based on the characteristics of the industry and its operation, the Company identifies and regards its shareholders, customers, employees, the government and regulators, its suppliers and partners and community as its six major stakeholders. The Company actively expands communication channels with stakeholders during different processes of regularly operating services and fully listens to the comments and responses from our stakeholders. We have also established regular mechanism for communication to continuously enhance the efficient communication with stakeholders.

2. Sound Operation and Stronger Corporate Governance

Expectations of Stakeholders and Responses

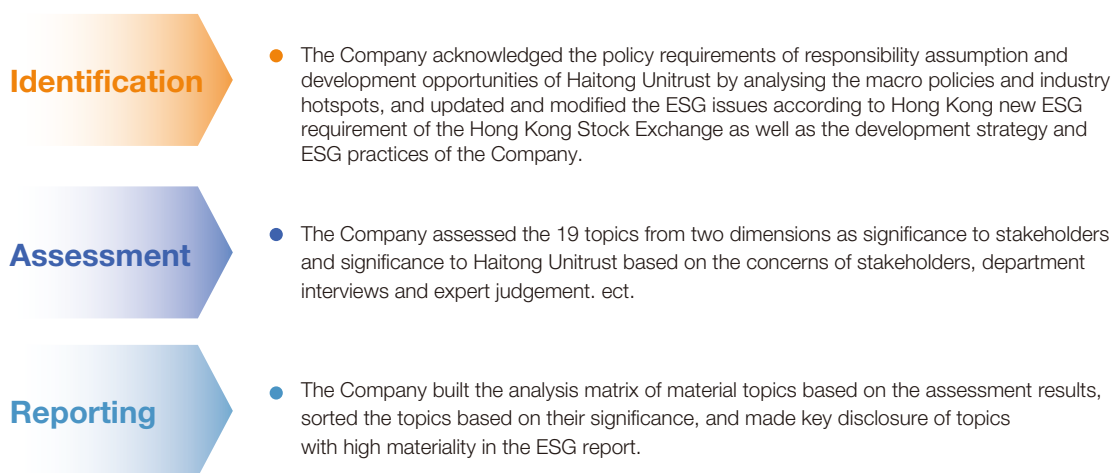
Key stakeholders	Material topics	Communication and responses
Shareholders	<ul style="list-style-type: none"> Corporate governance Compliance operation Risk management Anti-corruption 	<ul style="list-style-type: none"> General meetings of shareholders Regular information disclosure Investor communication Compliance management Comprehensive risk management system Anti-corruption system
Customers	<ul style="list-style-type: none"> Serving the real economy Financial technology Information security and customer privacy protection Customer service and communication Inclusive finance Responsible marketing 	<ul style="list-style-type: none"> Customer consultation and complaint Customer seminar Customer privacy protection system WeChat official account and other platforms Real economy business support Online electronic contract signing system and electronic filing system
Employees	<ul style="list-style-type: none"> Employee rights and benefits Employee health and safety Employee development and training 	<ul style="list-style-type: none"> Employee training system Welfare security system Performance appraisal and promotion
Government and regulators	<ul style="list-style-type: none"> Compliance operation Risk management Anti-corruption Serving the real economy 	<ul style="list-style-type: none"> Cooperation in regulators' inspection Comprehensive risk management system Complaint and report mechanism construction Real economy business support
Suppliers and partners	<ul style="list-style-type: none"> Supply chain management Anti-corruption 	<ul style="list-style-type: none"> Formulating purchasing management rules Bidding activities Industry cooperation and exchange
Community	<ul style="list-style-type: none"> Community services Rural revitalization Climate change mitigation and adaption Green finance Green operation Serving the real economy Inclusive finance 	<ul style="list-style-type: none"> Charity activities Identifying and coping with the climate-related risks and opportunities Developing green financial business Green operation Energy saving and environmental protection business support Real economy business support

2. Sound Operation and Stronger Corporate Governance

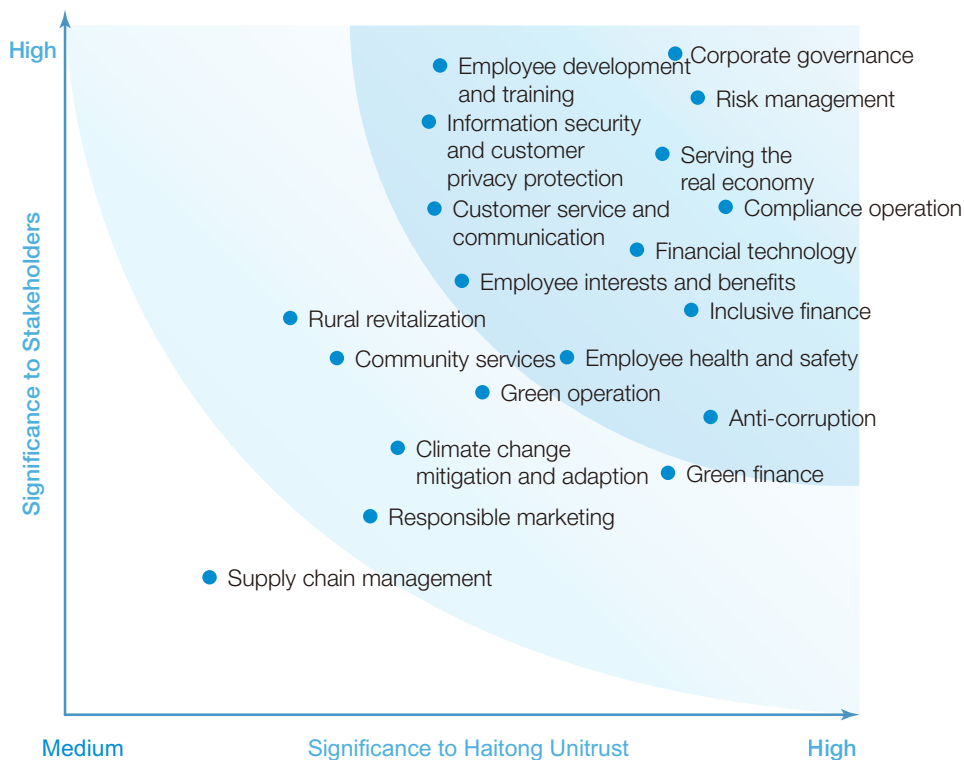
- **IDENTIFICATION AND ANALYSIS OF MATERIAL TOPICS**

Based on the material topics analysis model and the working progress of last year, the Company further identified, assessed and selected material ESG issues with significant impacts on the Company and our stakeholders, and made key disclosure and response in the report.

Analysis Process of Material Topics



Matrix of Material Topics



2. Sound Operation and Stronger Corporate Governance









2.2 CORPORATE GOVERNANCE

- **GOVERNANCE IMPROVEMENT**

The Company attaches great importance to the corporate governance and continues to refine its corporate governance system, so as to improve the efficiency of governance. In strict accordance with the *Company Law of the People's Republic of China* (《中華人民共和國公司法》) and the Listing Rules of the Hong Kong Stock Exchange, the Company has established a corporate governance structure comprising the general meeting of Shareholders, the Board of Directors and the Board of Supervisors (collectively referred to as the "Three Meetings") as well as senior management, so as to ensure that the authority unit, decision making unit, supervisory unit and execution unit duly perform their duties and operate effectively. In December 2021, the Company issued the *Administrative Measures of Equity Investment* (《股權投資管理辦法》) and the *Administrative Measures of Subsidiaries* (《子公司管理辦法》), in order to enhance the endogenous power of corporate governance.

Adhering to the principle of diversity, the Board of the Company comprises members with professional experience in financial management, risk management, business expertise and other aspects to ensure the effective operation of the Company. The Company has established the Audit Committee, the Nomination Committee, the Remuneration and Evaluation Committee, the Risk Management Committee, the ESG Committee under the Board, which are responsible for supervision, decision-making, making recommendation and consultation in specific areas.

The Composition of the Board and the Convening of Three Meetings in 2021

Composition of the Board		Meetings convened	
	Two executive Directors		Two general meetings of Shareholders
	Five non-executive Directors		Seven Board meetings
	Five independent non-executive Directors		Two meetings of the Board of Supervisors
	Two female Directors		Seven meetings of specialized committees of the Board

2. Sound Operation and Stronger Corporate Governance

In 2021, the Company organized ESG training to all employees to raise their ESG awareness and strengthen their ability, thereby improving the ESG management of the Company.



CASE: ESG Training of Haitong Unitrust

In October 2021, the Company invited external professional organizations to provide ESG training with the theme of “ESG Management Requirements and Domestic and Foreign ESG Practices” which covered ESG background and trends, new regulations on ESG governance and information disclosure of the Hong Kong Stock Exchange, cases study on ESG practices of domestic and overseas peers. The training courses have been uploaded to Haitong Wealth Research and Training Institute (海通財富研修院) for all employees of the Company, so as to effectively enhance the knowledge and professional skills of all employees in ESG.

- **IMPROVING INFORMATION DISCLOSURE AND INVESTOR RELATIONS MANAGEMENT**

The Company discloses its information in a true, accurate, complete, timely and fair manner according to the regulatory documents such as the *Company Law of the People’s Republic of China*, *Securities Law of the People’s Republic of China* (《中華人民共和國證券法》), the *Listing Rules* and the *Articles of Association of Haitong Unitrust International Financial Leasing Co., Ltd.*. In 2021, the Company conducted effective information disclosure regularly and from time to time through issuing monthly return on movements in securities, overseas regulatory announcements, reports on major events, notices of the general meetings of Shareholders and periodic reports.

In order to regulate its investor relations management, the Company formulated the *Administrative Measures of Investor Relations Management* (《投資者關係管理辦法》) in 2021 and conveyed the operation information and results of the Company to investors through publishing announcements on the Hong Kong Stock Exchange, the website of the Company, official WeChat account and social media platforms. The Company is committed to improving the communication with its investors through adequate information disclosure and deepening their understanding and recognition of the Company, thereby improving the integrity of the Company and creating a positive image in the capital market.

2. Sound Operation and Stronger Corporate Governance

2.3 RISK AND COMPLIANCE MANAGEMENT

- **RISK MANAGEMENT**

The Company attaches great importance to the corporate risks management and control. The sound but flexible risk policies of the Company specifies that the Board shall be responsible for the overall risk management and the Risk Management Committee shall be established to perform the corresponding functions. The Company continues to optimize its comprehensive risk management mechanism. Emphasis is placed on its data-based, quantification-oriented, research-driven and fin-tech-enabled features to extensively enhance its risk management capability and level. Various risk management measures have been embedded in its business operations, in order to identify, control and mitigate risk exposures.

In 2021, the Company revised the *Comprehensive Risk Management Rules* (《全面風險管理辦法》), which supplements identification standards of risk assets and updates risk management indicator and actions for handling major risk events, so as to further consolidate the foundation of the comprehensive risk management system.

Following the “14th Five-Year Plan and the Long-Range Objectives through the Year 2035”, “Industry 4.0” and “Made in China 2035” as well as other policies and initiatives introduced by the government, the Company implemented its strategies to develop its industry network. In 2021, the Company further defined the industrial risk appetite of the Company, adjusted the prosperity of relevant industries and revised the *Industry Access Catalogue* (《行業准入分類》). In order to meet the development goal of giving preferential support to state-supported industries, withdrawing from industries with outdated production technologies and optimizing its asset allocation, the Company strictly controlled and managed ESG risk factors.

2. Sound Operation and Stronger Corporate Governance

Industry Categories and Examples of Haitong Unitrust

Category	Description	Example
Preferential support	Growing industries in alignment with the national development plan and supply-side structural reform direction. Conditional upon effective risk control, we will intensify marketing, increase supply and market share, and strive to realize a supply growth rate above the average level.	<ul style="list-style-type: none"> • Energy saving and environmental protection industry (environmental protection, energy saving) • Manufacturing industry (comprehensive utilization of waste resources) • Public utilities (water, gas and heating supply) • Next-generation IT industry (IDC Data Centre) • Transportation (urban public transport)
Moderate support	Based on the different characteristics of industry segments, we will moderately increase our support to leading industry players.	<ul style="list-style-type: none"> • Power supply (wind power, photovoltaic) • Manufacturing industry (automobile, electrical machinery and equipment manufacturing) • Construction industry (construction projects of energy saving and environmental protection) • Transportation and logistics industries (railway, road and storage)
Prudent access	Conditional upon effective risk control, we will implement prudent access to the industries.	<ul style="list-style-type: none"> • Agriculture, forestry, animal husbandry and fisheries • Traditional manufacturing industries (light manufacturing, chemical fibre) • Catering industry • Power supply (thermal power)
Withdrawal	Due to high risk, we will gradually withdraw from the industries with excessive production capacity.	<ul style="list-style-type: none"> • Mining industry • Traditional manufacturing industries (textile, paper, coal processing, plastic product industries)

2. Sound Operation and Stronger Corporate Governance



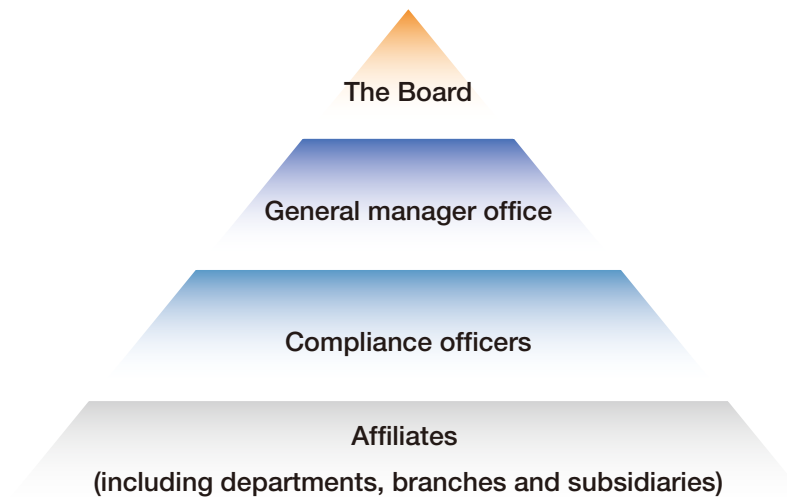
CASE: Risk Management Training – Studying the Measures for Comprehensive Risk Management

In 2021, the Company revised the *Measures for Comprehensive Risk Management* and organized special training for risk management personnel of various business departments, functional departments, branches and subsidiaries to familiarize them with the latest policies and management requirements, the risk management indicators under the monitoring system of Haitong Securities Co., Ltd. (“Haitong Securities”), the parent company, and the solution to mitigate major risks. The training aimed to raise the awareness of the employees of risk management and enhance their risk management capability.

- **COMPLIANCE MANAGEMENT**

The Company has been committed to pursuing compliance operation as its core operating philosophy. The compliance management system of the Company is a four-level structure comprising the Board, general manager office, compliance officers and affiliates. The authority and duties of each level are clearly defined, ensuring orderly implementation of compliance management tasks.

Level of Compliance Management System



2. Sound Operation and Stronger Corporate Governance

In 2021, the Company revised the *Administrative Measures on Major Issue Reporting* (《重大事項報告管理辦法》) and other policies in accordance with *Provisional Measures for the Supervision and Administration of Financial Leasing Companies in Shanghai* (《上海市融資租賃公司監督管理暫行辦法》). The Company incorporated regulatory requirements into its internal policies and rules in a timely manner to ensure its compliant operation. In addition, in order to comply with the regulatory requirements of detailed submission, the Company leveraged on its financial technology platform to compare and verify the data submitted to regulators to ensure timeliness, accuracy and compliance of regulatory submissions.

In respect of the compliance culture, the Company has been adhering to its compliance concept of “compliance in operation and of all employees and the management, as compliance is vital for creation of value and fundamental for the existence of the Company” and providing training on compliance to develop the compliance culture through various means. In 2021, the Company provided training on compliance to more employees through offline sharing sessions and online special training sessions, which has significantly increased the coverage of employees for compliance training.

2. Sound Operation and Stronger Corporate Governance



CASE: Raising Compliance Awareness of Employees through Training on Compliance

In April 2021, the Company organized a special compliance training on the *Guidelines on Retail Business for Shanghai Financial Leasing Companies and Commercial Factoring Companies* (《上海市融資租賃公司、商業保理公司涉個人客戶相關業務規範指引》) for subsidiaries engaging in retail business to introduce new regulatory requirements with 45 participants.

In order to raise the compliance awareness of its employees and familiarize them with regulatory policies, the Company organized an online training session themed “Sustainable Development with Compliant Operation” (「行穩致遠·合規護航」) in September 2021. The training session covered regulatory overview, compliance requirements, company policies, compliance management system and other aspects with 810 participants. With such training session, the awareness and understanding of compliance requirement of employees have been further enhanced, laying a solid foundation for compliant operation.



Special compliance training on “*Guidelines on Retail Business for Shanghai Financial Leasing Companies and Commercial Factoring Companies*”

2. Sound Operation and Stronger Corporate Governance

- **ANTI-MONEY LAUNDERING**

The Company performs its anti-money laundering duties and responsibilities according to the applicable laws and regulations such as *Anti-Money Laundering Law of the People's Republic of China* (《中華人民共和國反洗錢法》) and the requirements of regulators. The Company has established a mechanism for screening anti-money laundering and anti-terrorist financing watch list. In respect of identification of money laundering risk, the Company adopts “systematic data screening + manual analysis” to comprehensively assess the risks in relation to money laundering and terrorist financing. In August 2021, the Company issued the *Provisional Administrative Measures for Due Diligence of Aviation Leasing Business* (《航空租賃業務盡職調查管理辦法(試行)》) to systematize its anti-money laundering practice, pursuant to which, relevant personnel shall conduct money laundering risk screening and assessment for aviation leasing business customers. The measures also clarify the reporting procedures for high-risk customers. The Company has also appointed part-time anti-money laundering personnel to assist the Company in anti-money laundering.

During the Reporting Period, the Company reported zero violations related to money laundering.



CASE: Promoting Anti-money Laundering to All Employees with *Regulation Monthly* (《監管動態月報》)

In order to promote regulatory policies to all employees, the Company issues the *Regulation Monthly* (《監管動態月報》) every month to analyse and interpret laws, regulations and regulatory policies related to anti-money laundering, and illustrate punishment cases related to anti-money laundering. For instance, the Regulatory Monthly issued in June 2021 introduced the *Anti-money Laundering Law of the People's Republic of China (Revised Draft for Opinions)* (《中華人民共和國反洗錢法(修訂草案公開徵求意見稿)》) issued by the People's Bank of China. Through promotion of policies and reminders about punishments, employees' awareness of anti-money laundering has been improved.

2. Sound Operation and Stronger Corporate Governance

- **INTELLECTUAL PROPERTY PROTECTION**

The Company strictly abides by the applicable domestic laws and regulations including the *Trademark Law of the People's Republic of China* (《中華人民共和國商標法》) and the *Patent Law of the People's Republic of China* (《中華人民共和國專利法》), and protects our own intellectual property while not infringing upon the intellectual property of third parties.

The Company has completed the software copyright registration for its main core business system and obtained a legal software copyright registration certificate. In September 2021, the Company issued the *Administrative Measures for Portal Websites* (《門戶網站管理辦法》), which clarifies that the Company shall appoint personnel to be responsible for the internal and external communication, so as to ensure that outsourcing units abide by relevant laws and regulations on intellectual property rights. Through systematizing intellectual property protection practice, the intellectual property protection of the Company has been improved.

The Company will continue to work on the IoT application and big data intelligent early warning models and apply for relevant patents in 2022.

- **BUSINESS ETHICS**

Through providing guidance on business ethics and management and control approaches and organizing training to employees, the Company has established a code of integrity in all aspects. The Company strictly abides by the *Code of Integrity and Self-discipline of the Communist Party of China* (《中國共產黨廉潔自律準則》) and the *Regulations of the Communist Party of China on Internal Oversight* (《中國共產黨黨內監督條例》) and implements “responsibility coordination mechanism in four aspects” for full and strict governance over party. Through clarifying responsibilities with policies, ensuring the performance of responsibilities and strictly holding accountable those who violate rules, the Company is able to have full and strict governance over the party.

The Company formulated the *Administrative Measures for Discipline Inspection, Supervision and Complaint* (《紀檢監察信訪工作管理辦法》), the *Implementation Rules for Supervision and Enforcement of Discipline Inspection and Supervision Departments (Provisional)* (《紀檢監察部門監督執紀工作實施細則》(暫行)), which stipulate that any report on the violation of the Party discipline and the rules of the Company by cadres may be submitted to relevant departments of the Company by letter, phone, fax, visit, email or other means. In addition, the Company provides effective channels for complaining “four forms of decadence”, such as hotlines and email address, through OA office system.

In respect of business ethics audit, the Company regularly performs various internal audit works, including routine audits, outgoing audits, special audits and inspections, so as to ensure that all employees abide by the “Employee Code” and anti-corruption and other relevant laws and regulations and have not violated rules relating integrity and discipline to abuse one’s own power for personal gain and be involved in corruption and bribery.

2. Sound Operation and Stronger Corporate Governance

In respect of whistle-blower protection, the Company stipulates that “the name, identity, department and relevant information of whistle-blowers shall not be disclosed without their consent”. In 2021, the Company revised and issued the *Administrative Measures of Employees for Non-compliance with Rules and Regulations* (《工作人員違反規章制度行為處罰管理辦法》), which stipulates that any behaviour preventing whistle-blowing or retaliating against the whistleblower shall be subject to heavy punishment.

In respect of the promotion of anti-corruption and integrity, the Company put great efforts in integrity education and has prepared and issued the *Discipline Inspection and Supervision Newsletters* (《紀檢監察通訊》). Through organizing activities such as “Integrity Special Education Month” (廉潔從業專題教育月), the Company organizes regular online special training for employees to study and discuss *Typical Cases of Non-compliance of Laws and Discipline of Haitong Securities* (《海通證券公司違法違紀典型案例集》). The Company also cautions all managers in meetings and organizes education and training on “professional ethics and occupational crime” for all middle-level cadres. Special trainings are also organized for subsidiaries and business units to prevent any corruption behaviour.



CASE: Integrity Education Themed “Sticking to the Correct Track and Strictly Following the Rules” (「堅守正道，嚴守規矩」)

In order to enhance awareness of integrity and compliance of its employees, the Company organized training sessions with a theme of “Sticking to the Correct Track and Strictly Following the Rules”. The training provides in-depth analysis of illegal and criminal cases in financial sector or daily life in recent years and aims to enhance the compliance and integrity awareness of employees and their ability to resist temptations, and cautions them against any corruption attempt and action.

...案件辦理過程中深深的印在脑海里，任博远案中与到，如今我走到了个人家庭，切身实际的感受，不自...
来，同时也把我的两个幼子的未来给毁了，无言以对父母，无法给自己的孩子做好表率，甚至在今...
我的污点可能会被人耻笑，这种行为造成了恶劣影响，想到这里我痛不欲生！



Integrity Education with the theme of “Sticking to the Correct Track and Strictly Following the Rules”

2. Sound Operation and Stronger Corporate Governance

- **SUPPLY CHAIN MANAGEMENT**

The Company is a financial company and its suppliers are mainly companies in sectors such as IT, engineering, equipment, service and low value consumables. The Company strictly complies with the *Government Procurement Law of the People's Republic of China* (《中華人民共和國政府採購法》), the *Bidding Law of the People's Republic of China* (《中華人民共和國政府招標投標法》) and other laws and regulations. In 2021, the Company revised the *Measures for Management of Purchasing* (《採購管理辦法》) to further clarify the responsibilities of relevant departments for managing suppliers and standardize procurement management, thereby building a corruption-free supply chain.

The Company also pays attention to the business ethics and social responsibility of suppliers, and strictly monitors and prevents various commercial bribes of suppliers through the screening, evaluation and regular inspection of suppliers. All suppliers are required to sign *Supplier Integrity Commitment* (《供應商廉潔誠信承諾書》) and provide relevant supporting documents to prove that they have not been involved in any major corruption crime, so as to strictly monitor and prevent all kinds of commercial bribery and bid and tender rigging.

Moreover, the Company promotes green procurement through preferential procurement of environmentally-friendly furniture with water-based paint as well as energy-saving and water-saving equipment.

During the Reporting Period, the Company reported zero violations of suppliers in terms of business ethics, environmental protection and labour codes that cause major actual or potential adverse impacts.

2.4 DEVELOPMENT GUIDED BY PARTY BUILDING

The Company consistently develops and improves its corporate governance under the leadership of the party. In 2021, the Company formulated a list of issues to be studied and discussed based on the actual situation and prepared the *List of Preliminary Research Items of the Party Committee of the Company* (《公司黨委前置研究事項清單》), which further clarifies the power and duties of the party committee and other authority units such as the Board, the Board of Supervisors and the senior management.

In addition, the Company has entered into *Commitment on the Organization of Division of the Communist Party in 2021* (《2021年黨風廉政建設責任約定書》) with the secretary of the party committee and person-in-charge of all units. The Company also issued the *Appraisal of Performance of Major Department Heads under the One-post two-role System for 2021* (《公司各單位主要負責人「一崗雙責」2021年度考核指標》). The responsibilities of Department Heads are specified to align the party development initiatives with the operation and development of the Company through synchronized planning, deployment, implementation and assessment.

2. Sound Operation and Stronger Corporate Governance

2021 marks the centenary of the founding of the CPC and the Company has thoroughly put into practice the guiding principles from General Secretary Xi Jinping's major speeches made in a campaign on Communist Party history learning and education. The Company has also complied with the requirements laid down by the central and higher-level party committees on the study and education of Communist Party history and organized education courses on the Communist Party history for all party members of the Company with a theme of "remaining true to our original aspiration and keeping our mission in mind (不忘初心·牢记使命)", so as to propose the study of history of the Communist Party to all party members and cadres, encourage them to understand the theories of the Communist Party and put such theories into practice to make new advances. The Company aims to move forward with faith and gather strength with its original intention.



CASE: Live Class Titled "Paying Tribute to the Centennial History and Starting a New Journey" (「致敬百年路 起航新征程」)

Adhering to the philosophy highlighting that "the overall promotion is guaranteed, the required action is not deformed, and the optional action has characteristics", the Company organized live classes with a theme of "Paying Tribute to the Centennial History and Starting a New Journey" with over 40 participants, including leaders of the Company and representatives of party members of Shanghai branch. Through the activity of learning history, the Company aimed to enhance the understanding of background and confidence in the party, uphold the virtue and facilitate diligent practices, so as to further enhance the sense of honour and mission of the party member of the Company.



Live Class titled "Tributing to the Centennial History and Starting a New Journey"

2. Sound Operation and Stronger Corporate Governance



CASE: “Haitong Unitrust Building Dreams through e-Platform” (海通恆信築夢e同行) Organized Cultural Promotion

Capitalizing on the official public account of “Haitong Unitrust Building Dreams through e-Platform”, the Company set up an educational column for the study of Party history to actively promote its corporate culture. The Company put great efforts in promoting the spirit of the Party and labour union and introduced special topics, including “learning and reviewing Party history” (「學黨史 • 歷史回眸」), “learning long-lasting Party history” (「學黨史 • 永恆豐碑」) and “learning the spirit of Party history” (「學黨史 • 精神譜系」) to share the knowledge of Party history with innovative ways, including releasing video of Party classes to all employees with an aim to expand the coverage of the classes. The Company also published 15 articles, including “Gaining Faith” (強信念) and “Following the Spirit of the Community Party” (跟黨走).



Presentation of Party history by Haitong Unitrust

3. Adhering to the Principle and Serving the Real Economy

3.1 SUPPORTING THE DEVELOPMENT OF ENVIRONMENTAL PROTECTION INDUSTRY

As 2021 marked the beginning of the “14th Five-Year Plan”, the economy of China has been progressing towards green and low-carbon development in high quality. In response to the national initiative of modernizing the governance mechanism and capabilities for the ecosystem, the Company focused on the integrated handling and sanitation of kitchen wastes, sludge, hazardous wastes and other sectors so as to establish an “ecosystem of the environmental protection industry”.

In 2021, the Company formulated and issued the *Operation Handbook for Sanitation* (《環衛通操作手冊》), the *2021 Guidelines for Hazardous Wastes Disposal* (《2021年危險廢棄物處置項目操作指引》) and other documents as the basis for the launch of projects. Based on its in-depth industry researches, the Company also formulated the *Sanitation Industry Research Report* (《環衛行業研究報告》) and the *Hazardous Wastes Industry Research Report* (《危險廢棄物行業研究報告》).

In 2021, the Company carried out **35** environmental protection projects. It also indirectly supported enterprises with their disposal of **0.39 million tons of hazardous wastes**, **0.47 million tons of sludge**, **1.80 million tons of sewage** and **0.09 million tons of kitchen wastes**.



CASE: Facilitating the Transformation of Sludge into Energy

The sludge resources disposal centre of Shanghai A Company Limited (“Company A”) in Hebei is able to handle 1,300 tons of sludge with a water content of 60% daily, covering all leather manufacturing and urban sludge of certain leather manufacturing industrial district and sewage disposal factory in Hebei.

The Company fulfilled the needs of Company A in terms of financing period, amount and repayment schedule through project financing, and facilitated the implementation of sludge disposal project. The project utilizes unique incineration power resources processing technique to enable the transformation of the sludge heat caused by sludge disposal to electricity and heat energy, generating 86.40 million kWh annually. The power generated can meet the annual electricity needs of 25,000 households and facilitate the replacement of traditional fossil energy with sludge as bioenergy.

3. Adhering to the Principle and Serving the Real Economy



CASE: Supporting the Disposal of Industrial Hazardous Wastes

Jiangsu B Company Limited (“Company B”) is a hazardous waste disposal centre which mainly disposes electronic and industrial hazardous wastes produced by the photovoltaic industry. It can dispose 80,000 tons of copper-containing etching waste solution and 70,000 tons of spent acid and inorganic fluorine-containing wastes annually on average.

The Company conducted due diligence on the environmental impact and environmental protection management of Company B to ensure its operation does not affect the local environment before commencement of cooperation. The Company made an investment of RMB90 million to assist Company B in project development and overcame disposal challenges of industrial hazardous wastes related to the project. Through extracting useful materials in hazardous waste to produce copper hydroxide products, Company B was able to utilize wastage resources to facilitate the development of environmental protection industry and the improvement in quality of life.

3.2 FACILITATING INFRASTRUCTURE CONSTRUCTION

The Company pays great attention to the support of people’s livelihood related projects and facilitates the construction of infrastructure through services such as finance lease and operating lease to improve people’s livelihood. In terms of construction of fundamental infrastructure including urban utilities, energy and environmental protection, healthcare and construction, the Company provided customized integrated financial solutions to satisfy the capital and equipment procurement requirement of customers and provided financing support to people’s livelihood related sectors.

2021 Fundamental Infrastructure Development Achievements

Service Sectors	2021 Achievements
Urban utilities	The Company provided financing for 62 projects during the year, and the balance of interest-earning assets amounted to approximately RMB13.9 billion as of the end of 2021.
Energy and environmental protection	The Company provided financing for 137 projects during the year, and the balance of interest-earning assets amounted to approximately RMB11.3 billion as of the end of 2021.
Healthcare	The Company provided financing for 452 projects during the year, and the balance of interest-earning assets amounted to approximately RMB5.8 billion as of the end of 2021.
Construction	The Company provided financing for 438 projects during the year, and the balance of interest-earning assets amounted to approximately RMB11.0 billion as of the end of 2021.

3. Adhering to the Principle and Serving the Real Economy



CASE: Supporting a Hospital during the Pandemic

In October 2021, a patient was tested positive for coronavirus in Wulian C Public Hospital (“Hospital C”). Hospital C immediately suspended its clinic services and locked down according to the requirements of the municipal and county governments with relevant medical staff under quarantine. The hospital was unable to resume its daily operation as its services were suspended and quarantine measures were adopted. Coupled with the immense capital need for anti-pandemic resources, Hospital C faced cash flow difficulties.

The Company has promptly arranged its staff responsible for online business and credit approval to conduct remote due diligence interview through video conference with Hospital C upon noticing the liquidity problems of Hospital C. Credit facilities in the amount of RMB10 million were extended to the hospital during its difficult times when its services were suspended. As a result, the hospital was relieved from its operation and liquidity hardship.



CASE: Facilitating Heating Power Reconstruction in Old Towns

Xintai D Company Limited (“Company D”) was established in 2012 and is mainly engaged in the centralized heat supply, heat energy project construction, and heating facilities installation and management in Xintai.

In 2021, Company D accelerated the reconstruction of heat-supply pipelines in old towns to renew and renovate the heat-supply pipelines for an area of nearly 2 million square meters, safeguarding heating quality of residents and heating supply capacity of Xintai. The Company extended credit facilities of RMB270 million to Company D through finance lease, supporting the upgrade of heating facilities in the old town district of Xintai. As such, energy efficiency was boosted while heat-supply safety and energy saving were achieved in the old town district.

3. Adhering to the Principle and Serving the Real Economy



CASE: Relieving Financing Difficulties of Preschool Education Brands

Putian E Preschool Education Institution (“Company E”) founded a brand of preschool chains, comprising five kindergartens, and has financing needs for kindergarten extension and establishment of new kindergartens.

The Company conducted due diligence on the kindergartens under Company E and provided financial support for part of its new construction, extension and reconstruction projects. The financial support for the final construction payment, equipment installation and extension of two new kindergartens was completed in August and December 2021, respectively. It overcame the issues of capital concentration and financing difficulties during the construction period of new kindergartens, which facilitated the upgrade of the brand.

3.3 PROMOTING INCLUSIVE FINANCE

Difficulty in financing and high financing costs pose a significant bottleneck in the development of micro-, small- and medium-sized enterprises. As the financial leasing industry offers financing in the form of capital and goods, it can provide equipment to micro-, small- and medium-sized enterprises directly to relieve their financing difficulties and facilitate economic transformation and enhancement. The Company actively implements the development strategies of “One Big and One Small” and “One Body, Two Wings”, providing various financing products and financial support solutions to micro-, small- and medium-sized enterprises to support their long-term and sustainable development.

The Company ensures its asset safety through conducting due diligence inspections, maintaining relationship with suppliers, carrying out risk control and other measures. With emphasis placed on high-end equipment manufacturing, micro- and small-sized healthcare and mechanical engineering, the Company satisfies the financing needs of micro-, small- and medium-sized enterprises through a diverse range of services, including direct leasing and leaseback. In 2021, Haitong UT MSE Financial Leasing (Shanghai) Co., Ltd. (the “MSE Subsidiary”), a subsidiary of the Company, made an investment of RMB13 billion in its services for micro-, small- and medium-sized enterprises, representing a year-on-year growth of 50% to 60%.

3. Adhering to the Principle and Serving the Real Economy



CASE: The MSE Subsidiary Has Officially Opened Its Regional Office in Eastern China

In April 2021, the MSE Subsidiary has officially opened its new regional office in eastern China to provide quality and convenient services to more micro-, small- and medium-sized enterprises to facilitate their growth and increase its contribution to the development of the real economy.



Opening ceremony of the new regional office of the MSE Subsidiary in eastern China



CASE: Provision of Financing Plan for Medical Equipment of a Private Hospital

Hospital F officially opened in August 2020. Integrating disease prevention, healthcare, treatment, research and rehabilitation according to the requirements of modern Chinese hospitals, it provides services for different groups of patients based on the “specialized treatment standards” of first-class Chinese medicine hospitals.

The hospital was in the transitional period upon establishment, and its operation is yet to be consistent. There is no land parcel which can be used as mortgage and no guarantee from doctors. Having fully considered the background and financial situation of Hospital F, the Company carried out due diligence investigation upon receiving the project proposal in October 2021. Upon adequate assessment of project risk, the project review process and lease filing were completed in the same month, the Company provided financing of RMB1.22 million for Hospital F in respect of its newly-purchased medical imaging equipment.

3. Adhering to the Principle and Serving the Real Economy



CASE: Providing Finance Lease Services to Small- and Micro-sized Processing and Manufacturing Enterprises

G Company Limited (“Company G”) is a hardware manufacturing and processing enterprise in Jiangsu Province which has been cooperating with the Company since August 2017.

As of the end of 2021, the Company has provided a total of 12 credit facilities in the total amount of RMB6.30 million to Company G through finance lease, which assisted Company G in purchasing equipment, increasing liquidity and boosting production capacity in a bid to upgrade its equipment and expand its business. With the assistance of the Company, production scale and revenue of Company G stably increased.

3.4 SUPPORTING THE ADVANCED MANUFACTURING INDUSTRY

Based on the “14th Five-Year Plan”, “Made in China 2025” and other policies, the Company carried out research and analysis of the advanced manufacturing industry in response to the national strategy which advocates the development of this industry. With its in-depth research, the Company effectively supported equipment investment of the advanced manufacturing industry with efficient services. In 2021, the Company focused on the construction of 5G base station, IDC data centres, electronic information manufacturing and other businesses to fully support the long-term development of the information technology industry of China with financing.

For the construction project of IDC data centres, the Company complied with the *Implementation Plan on Realizing the Goal of Peak Emission and Carbon Neutrality and Promoting Green and Quality Development of Data Centre, 5G and Other New Infrastructures* (《貫徹落實碳達峰碳中和目標要求推動數據中心和5G等新型基礎設施綠色高質量發展實施方案》) issued by four departments including the NDRC, pursuant to which the PUE value of the newly-built data centres shall not exceed 1.4 and the funding shall be allocated to data centres with low power consumption so as to promote their green and quality development.

For the construction project of 5G base station, as at the end of 2021, the Company has cooperated with a total of four 5G base station operators to facilitate the construction and operation of 1,660 5G base stations of enterprises. The establishment of base stations is favourable not only to our customers, but also to our development as we are able to provide enterprises with value-added services other than financing under our business ecosystem, enabling the synchronized growth of the Company and our customers.

3. Adhering to the Principle and Serving the Real Economy



CASE: Supporting the Infrastructure Development of 5G Base Stations

H Company Limited (“Company H”) in Guangdong Province was established in 2016. Its principal business is the construction and operation of communication facilities. It has been operating 2,319 base stations which are mainly located within Guangdong Province and cover 21 prefecture-level cities within the province.

In 2021, Company H planned to commence indoor distributed base station business which requires a large amount of capital. The Company provided RMB22.18 million to Company H to address its capital needs in building 500 new 5G base stations, which assisted out customer in expanding its operation and contributed to the national 5G infrastructure development.



5G base station

3. Adhering to the Principle and Serving the Real Economy



CASE: Supporting the Construction of IDC Data Centre

Group I is a renowned privately-owned data centre operator specialized in the construction and operation of high-level IDC project. The 5G industrial park of Group I obtained the investment project registration certificate in September 2020 and commenced the construction of data centre in 2021. The number of cabinets is 2,000 and the designed PUE is less than 1.4.

Based on its in-depth research on the upstream and downstream business chains of Group I, the Company provided capital support through financial leasing in the initial stage of the construction project upon the analysis of various potential risks of the project to ensure on time delivery of the projects. Upon completion of the project, the data centre is strategically positioned to become an intra-city dual active data centre and to provide substantial support to the digital economic development of the region.



Cooling tower cluster of the data centre

4. Pursuing Excellence and Providing Outstanding Services

4.1 IMPROVING QUALITY OF CUSTOMER SERVICES

The Company is committed to providing its customers with high-quality, diversified and one-stop services. The Company formulated the *Customer Management Measures* (《客戶管理辦法》) and the *Administrative Measures on Business Operation* (《業務運營管理辦法》) and continuously optimizes its processes to enhance its customer services and to maximize the interests of our customers.

The call centre of the Company is responsible for handling our customers' daily inquiries, complains, feedbacks and business needs, and has effectively dealt with their problems and difficulties so as to improve the customer service experience. In 2021, in order to further improve the call-through rate of our customer service hotline to handle customers' inquiries, the Company has introduced new functions, such as online customer service, interactive voice response (IVR) and voice guide. By reducing the proportion of transferring to manual services and enhancing the efficiency of customer service centre, the timeliness and satisfaction of our customer service have been increased significantly.

Since the official opening of the call centre, the call-through rate of customers has been increasing year by year. In 2021, the total number of calls received by the call centre was **427,144**, and the average customer satisfaction rate was **99.6%**.

In respect of handling customer complaints, the Company formulated the *Administrative Measures on Customer Complaint Handling (Trial)* (《客戶投訴處理管理辦法(試行)》) to specify the processes and time limits of customer complaint handling, further standardize its customer complaint management and effectively safeguard customers' interests. In May 2021, the Company launched the customer complaints management app, which enables real time inquiry on follow-up progress and relevant complaint documents for download. This not only enables our customer service personnel to process customers' complaints in a timely manner, but also realizes a transparent and digitalized management of complaint follow-up progress.

4. Pursuing Excellence and Providing Outstanding Services



CASE: Specific Training Programs were Organized to Improve Employees' Efficiency in Dealing with Customers' Complaints.

In July 2021, in order to regulate the daily handling of customers' complaints, the Company has organized specific trainings to improve employees' awareness and ability for identifying and handling customers' complaints and their communication skills. We strive to resolve customers' complaints properly to minimize deteriorating or repeated complaints.



Training on complaint handling and communication skills

In respect of product advertising and business marketing, the Company strictly complies with the *Advertising Law of the People's Republic of China* (《中華人民共和國廣告法》) and the requirements of regulatory authorities to formulate the *Administrative Measures on Business Marketing Promotion (Trial)* (《業務營銷宣傳管理辦法(試行)》) which further consummated the management system for marketing activities and specifies principles, procedures and requirements of marketing activities, so as to ensure that its customers can understand the true and complete financial product information and the legitimate rights and interests of its customers can be protected.

During the Reporting Period, the Company reported zero violations regarding information and labelling of products and services and zero violations of marketing regulations.

4. Pursuing Excellence and Providing Outstanding Services

4.2 INFORMATION SECURITY AND PROTECTION OF CUSTOMER PRIVACY

Information security is a critical and integral part of the sustainable development of financial institutions. The Company has been in strict compliance with the laws and regulations such as the *Cybersecurity Law of the People's Republic of China* (《中華人民共和國網絡安全法》) and other industry requirements in relation to information security. We had formulated the *Information Security Management Measures* (《信息安全管理制度(修訂版)》) and continued to consummate the construction of information security structure. By strengthening data, application, host, network, terminal and physical security and setting up the Security Operation Centre (SOC), a comprehensive information security system has been established.

For information security trainings, we have provided online and offline training courses. In 2021, we organized trainings relating to internet safety, including information safety awareness trainings, internet safety drills, internet security lectures and e-mail scam drills, to enhance the safety awareness and professionalism of our safety management staff.



CASE: We Had Established a Three-Layered Defense Line by Organizing Internet Safety Drills

In 2021, the Company participated in the internet safety drill organized by our parent company, Haitong Securities. By establishing the three-layered information safety defense line for internet, network monitoring and terminal protection, to identify and mitigate potential safety risk, improve information safety and minimize the risk of any malicious attack.

Haitong Unitrust places importance on the protection of privacy and personal data of our customers. The Company strictly complied with the laws and regulations such as the *Data Security Law of the People's Republic of China* (《中華人民共和國數據安全法》) and the *Personal Information Protection Law of the People's Republic of China* (《中華人民共和國個人信息保護法》), and has established and strictly implemented a provisional security management system which specify the classification, responsibility and punishment of security protection so as to further improve our security management system. We enter into job-related security protection agreements with our employees to enhance their awareness of security protection and the protection of customer's information and privacy.

During the Reporting Period, the Company was not aware of any leakage of customer information or privacy.

4. Pursuing Excellence and Providing Outstanding Services

4.3 FINANCE EMPOWERED BY TECHNOLOGY

In order to provide professional technological services, the Company established the financial technology department in 2021. The Company has focused on the financial technology reform in terms of system development, platform development, big data, IoT and automatic review and approval based on the three-year strategic plan of financial technology for 2021–2023. Automatic, digitalized and intelligent business management has been promoted to establish a “Finance + Technology” ecosystem.

Major Projects and Achievements of the Company’s Technology-enabled Finance Business in 2021

Major category	Major projects and achievements
System development	We promoted the online and automatic business system and launched a series of functions such as online marketing, online customer service and digital file management. Our business system is compatible with the electronic contracting platform, which further mitigated the operational risk and enhanced the efficiency of operation and business transfer.
Platform development	Focusing on the middle platforms for technologies and business, we completed the development of micro-service system, Single Sign On service, electronic contracting platform, face recognition and Optical Character Recognition (OCR), which further improved our business system.
Big data	We established a distributed big data platform, and completed the upgrade of our data processing method from “traditional data storage” to distributed “big data”. By enhancing the automatic regulatory reporting, our risk management system has been optimized to provide better support on data analysis for different business lines.
IoT	Our IoT platform has connected to data collected from external sensors such as vehicle global positioning system (GPS), ride-hailing service overview and industrial equipment status. The introduction of device tracking and vehicle GPS management system enable us to perform real-time online monitoring, risk alert and overview on data of lease assets, which further improved our efficiency of assets management and capabilities of risk management.
Automatic business approval	We provide real-time project pre-approval analysis results based on pre-approved data, which enriched the decision-making database for our manual approval, and significantly shortened the approval time for projects. In addition, our automatic business approval system operates on mobile devices, which not only reduce the printing and scanning of papers, but also avoid carbon emission arisen from unnecessary business trips.

4. Pursuing Excellence and Providing Outstanding Services



CASE: **Electronic Contracting System**

The Company has continuously developed and innovated its mobile and internet financial technology, and officially launched the electronic contracting system in December 2021. Corporate and individual users who follows our official WeChat account “Haiton Unitrust” may sign their contracts on our electronic contracting system, which improved the efficiency of the Company’s financial services.



CASE: **Electronic Filing System**

In December 2021, the Company launched its electronic filing system, which provides electronic document management, security management and system management. It realized a simple, regulated, convenient and effective filing system which significantly improved the digitalized operation and efficiency of internal operation.



CASE: **Replicable Lease Identification System**

In December 2021, the Company officially launched the replicable lease identification system which was connected with the Unified Registration System for Movable Property Financing of the Credit Reference Centre of the People’s Bank of China (中國人民銀行徵信中心動產融資統一登記公示系統). With the use of ORC technology, mass of PDF files and images are converted into structured Excel data which will be compared and analyzed by alignment algorithm. The accuracy and efficiency of data alignment are improved and human omission is minimized, which is favourable for the processing efficiency of project.

The Company actively participated in financial technology industry conferences. In 2021, the Company participated in the World Artificial Intelligence Conference 2021 (2021世界人工智能大會) with a theme of “Intelligence connection to the world” (智聯世界•眾智成城), at which discussed the cutting-edge development of artificial intelligence innovation and practice, spread ideas and benefits of urban digitalization, and facilitated the formation of a global consensus on the standards of governance and regulations. In addition, the participants also discussed on several hot topics based on the national strategies, such as “Trustable AI” (可信AI), “AI and Emission Peak and Carbon Neutrality” (AI與碳達峰碳中和) and “Minimizing Digital Divide” (消弭數字鴻溝).

5. People Oriented and Sharing of Better Lifestyle

5.1 PROTECTING THE RIGHTS OF EMPLOYEES

- **RECRUITMENT AND EMPLOYMENT**

Strictly in accordance with the *Labour Law of the People's Republic of China* (《中華人民共和國勞動法》) and the *Labour Contract Law of the People's Republic of China* (《中華人民共和國勞動合同法》), the Company has issued the *Regulation on Labour Contract Management* (《勞動合同管理規定》) and the *Regulation on the Management of Compensation at Headquarters* (《總部薪酬管理辦法》) which strictly regulate the management of recruitment, dismissal and compensation of employees, and emphasize the importance of equality and diversity. The legal rights of the employees are highly respected, and no discrimination of gender, age, nationality, race and religion is allowed. We provide equal job opportunity to male and female employees and maintain the diversity of our workforce. The Company strictly verify the identity of new employees to prevent the employment of minor workers. During the Reporting Period, the Company was not aware of any employment of minor workers and forced labour.

The Company has formulated the *Regulation on Management of Recruitment* (《招聘管理工作辦法》) to improve the regulation on recruitment, continuously expand recruitment channels and orderly refine recruitment process. Through diverse channels such as recruitment websites, headhunting channels, WeChat official account and campus recruitment, the Company attracts talents with fair, just and open recruitment strategies, striving to build a talent team of diversity. In 2021, based on its recruitment needs, the Company further diversified recruitment channels for key specialized talents of fin-tech, risk control and credit review, and asset legal affairs, so as to reserve high-quality talents for the development of the Company.

The Company further improved the welfare of its employees. Contributions to social insurance and housing fund were fully paid as scheduled. Our employees are also provided the welfare of corporate annuity and holidays. The Company strictly complies with the standard requirement of 40 working hours per week. Our employees can enjoy the benefits of statutory holidays, annual casual leave, medical leave and marital leave.

In 2021, the labour contract signing rate of the Company's employees was 100%.

- **HEALTH AND SAFETY OF EMPLOYEES**

In order to create a safe and healthy working environment, the Company has strengthened its daily security and fire safety management and implemented various safety precautions in accordance with the applicable regulations of public security and fire departments and the relevant requirements of safety management of the Company, so as to fully protect the personal and property safety of its employees. In addition, the Company has regularly organized its employees to conduct safety education and fire drills to help them master fire protection knowledge and escape skills and to enhance their awareness of safety precautions.

5. People Oriented and Sharing of Better Lifestyle

The Company established a comprehensive medical protection scheme and continued to optimize the supplemental medical insurance plan of employees. In addition to providing regular medical examination, the Company further enriched medical examination items to meet personalized medical examination needs of employees and protect the health of employees. Moreover, the Company helped employees achieve physical and mental health balance through healthcare activities such as shoulder and neck therapy, eye care and dental care.

During the Reporting Period, the Company was not aware of any incident of health and safety of employees.

5.2 SUPPORTING THE DEVELOPMENT OF EMPLOYEES

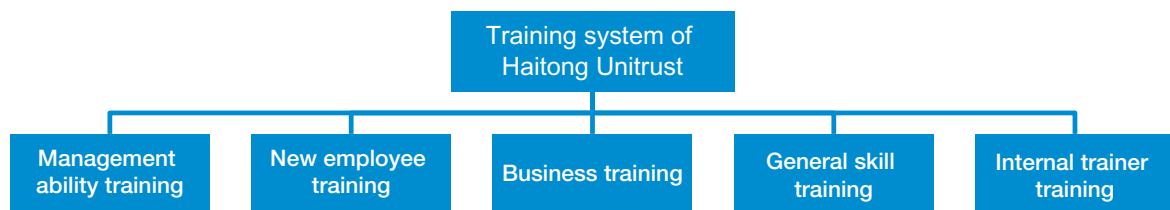
- **IMPROVING THE TRAINING SYSTEM**

With great emphasis on talent cultivation, the Company is committed to realizing the effective integration of its business development and employees' career development through a comprehensive and diversified employee training system.

In compliance with the national standard of *Quality Management – Guidelines for Training* (《質量管理培訓指南》) (GB/T19025-2001 idt ISO10015:1999), the Company formulated the *Training Management Handbook* (《培訓管理手冊》), the *Talent Team Competency Model Handbook* (《人才梯隊能力模型手冊》), the *Implementation Rules for Management of Training Credit* (《培訓學分管理實施細則》) and other rules, with an aim to further standardize and optimize its training management system. In 2021, the Company focused on optimizing the training credit system by adopting a dual calculation method of “fixed credit” and “credit completion rate”, which effectively motivated employees to learn and promoted the realization of training objectives and training plan.

In 2021, the Company carried out **106** training programs and **204** training courses, with **13,456** participants and a completion rate of **100%**.

Training System of Haitong Unitrust



5. People Oriented and Sharing of Better Lifestyle

In 2021, in respect of management ability training, the Company implemented training programs for different levels and categories including the “Sailing Plan (遠航項目)”, “Set Sail Plan (啟航項目)”, “Spark Plan (星火計劃)” and “Sailing Operation (揚帆行動)” to further improve the management ability and leadership of managers, and strengthen the development of talent teams. In respect of trainings for new employees, the Company helped new employees fit in with the Company and shared the Company’s culture through the training program of “Building New Dreams (融新築夢)”. In respect of business training, the Company organized specific training programs such as “Pai An Shuo (拍案說)”, “Dandelion (蒲公英)” and business sharing sessions, which effectively facilitated the improvement of capabilities of business personnel. In respect of general skill training, the Company organized “Ideological and Moral Cultivation Cloud Lecture (思想道德雲講堂)”, “Workplace Enrichment (職場加油站)” and other projects, aiming to strengthen the professional ethics and competence of employees.



CASE: Improving the Management Ability and Leadership of Managers

Under the theme of “boosting learning, capability and management efficiency”, the Company organized projects for its managements at all levels, namely “Sailing Plan (遠航項目)” for management training, “Set Sail Plan (啟航項目)” for officer training, and “Spark Plan (星火計劃)” and “Sailing Operation (揚帆行動)” for training of young talents. In 2021, the Company carried out a total of 9 training programs with 374 management participants.

Based on its talent competency model, the Company organized training programs with customized programs to improve the competence of its managements of all levels. The programs focused on improving team management in terms of coaching ability of management and officers as well as coordination management in terms of effective communication of young talents.



“Spark Plan (星火計劃)” training

5. People Oriented and Sharing of Better Lifestyle



CASE: Improving the Professional Competence of Employees

“Workplace Enrichment (職場加油站)” is a specific training for employees of functional departments, aiming to improve the professional competence of employees, equip employees with basic professional attitudes and office skills, and establish clear career paths and codes of conduct. In 2021, with a focus on two major themes including office skills and stress management, the Company carried out a total of four “Workplace Enrichment (職場加油站)” training programs with 931 participants.

“Stress management” training programs focus on explaining the sources and relief methods of stress so as to help employees relieve pressure, improve work efficiency, and maintain work-life balance. With a focus on office software such as Excel, “Office skill” training programs offer basic and advanced courses to meet the learning needs of employees at different levels.



“Workplace Enrichment (職場加油站)” training course

5. People Oriented and Sharing of Better Lifestyle

In 2021, the *Credit System Haitong Unitrust* (《海通恆信學分制》) of the Company was presented with *2021 Booao Excellent Data Operation* (2021年博奧獎「卓越數據運營類」), and the *Star of Haitong Unitrust* (恆信之星) mixed training program received *Outstanding Rookie Gold Award in 2021 Enterprise Online Learning Program Competition* (2021年企業在線學習項目大賽「傑出新秀獎」金獎) by Online-edu.



Booao Excellent Data Operation

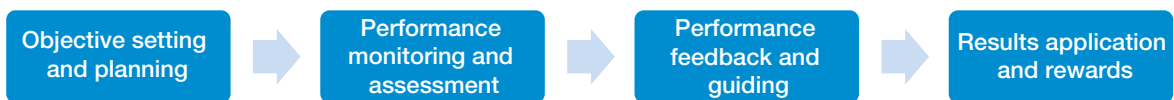


Outstanding Rookie Gold Award
Enterprise Online Learning Program Competition

• PERFORMANCE ASSESSMENT AND PROMOTION

The Company constantly improves the career development platform of employees and is committed to establishing a scientific and effective performance management system and rank promotion channels. In respect of performance assessment, the Company assesses the work performance and competency of its employees in a fair, comprehensive and objective manner based on its performance management system in order to develop a performance culture that links the development of employees with the growth of the Company and meets the prerequisites for developing their development potential and improving their performance level. In 2021, the Company formulated the *Implementation Rules for Assessment and Incentive of Innovation by Employees* (《員工創新考核激勵實施細則》) to further improve the incentive mechanism for innovation by employees and effectively promote the initiative of employees to innovate.

Performance Management System of Haitong Unitrust



5. People Oriented and Sharing of Better Lifestyle

In terms of rank promotion, the Company follows the principles of market, profession and system orientation, developed the *Measures for Management of MD Position System* (《MD職位體系管理辦法》), establishes administrative level promotion and professional level promotion channels, creates the dual career development paths (promotion and demotion) with performance and ability as the orientation, fully reflects the recognition of values of various professionals, and builds a positive competition atmosphere.

The Company provides its employees with a transparent, standard and customized promotion path, and divides the position system into five professional orders as business sales, credit review risk control, business leaseback, product research and development and functional management horizontally, and sets up nine ranks (sixteen levels) as Senior Managing Director, Managing Director, Executive Director and Director vertically, in order to adapt to different business characteristics and competition requirements.

5.3 DEEPENING EMPLOYEE CARE

- VALUING EMPLOYEE CARE

In order to promote democratic management, the Company has established, improved and implemented the policy of the employee representative meeting, striving to build a communication bridge between employees and the Company. The employee representative meeting of the Company shall be held at least once a year to exercise authority including review and approval of proposals, examination and supervision, democratic election and democratic deliberation according to the law, enabling employees to participate in the democratic management of the Company according to the law, support the Company's legal operation and management activities, and protect their legitimate rights and interests.

The Company has developed and implemented the *Management Rules for Trade Union Consolation* (《工會慰問工作管理細則》). When an employee is sick and hospitalized or injured at work, or his immediate family member dies, the Company visits and condoles with him in a timely manner. On major festivals and during change of seasons, the Company organizes various consolations during the Spring Festival, Dragon Boat Festival, Mid-Autumn Festival and National Day as well as consolation activities including heatstroke prevention, winter protection and haze protection, fully demonstrating the trade union's role as a bridge and bond to unite people. In 2021, the Company sent birthday greetings to 1,126 employees, matrimony and maternity greetings to 60 employees, and condolences to 20 employees.

In 2021, the Company actively provided assistance to employees in difficulties. According to the *Articles of Association of the Mutual Aid Committee of the Trade Union of Haitong Securities Co., Ltd.* of Haitong Securities, our parent company, the Company deeply understood the family situation of employees, and assisted four employees in difficulties in applying for assistance and subsidies.

5. People Oriented and Sharing of Better Lifestyle

The Company insisted on maintaining two-way exchange and effective communication with employees. In 2021, the “Win-win Sprint (衝刺共贏)” activity was organized for all employees. A satisfaction survey was conducted in the form of online questionnaires through a third-party human resources professional research company, with an aim to identify the root of problems, tackle problems and take specific actions to improve employee satisfaction.



CASE: Caring for Employees in Henan during the Flood

In July 2021, there was a rare heavy rainstorm in Henan Province, where severe flooding resulted in a shortage in daily necessities. In response to the extremely challenging flood prevention and control conditions, the Company promptly made specific arrangements to quickly understand the living and working conditions of every employee in Henan. Necessities packages, including drinking water and food, were sent to 53 employees working in Henan urgently.

- **CREATING AN ENERGETIC WORKPLACE TOGETHER**

The Company advocates work-life balance and actively organizes culture and sports activities to enrich employees’ spare time. In 2021, the Company organized culture and sports activities including traditional cultural courses, family day activities, Women’s Day activities and outward bound activities, striving to create an energetic workplace and enhance the sense of belonging and happiness of employees. In 2021, the Company organized nearly 300 culture and sports activities with over 4,000 participants.



“Magical Speaker (魔力音箱)”, an outward bound activity



“Exploring and Chasing Dreams: Stars of Haitong (遨遊探索 逐夢「恆星」)”, a family day activity

5. People Oriented and Sharing of Better Lifestyle

5.4 CONTRIBUTING TO SOCIETY

In active response to the national strategies of poverty alleviation and rural revitalization, Haitong Unitrust continues to spread positive energy by taking part in post-disaster restoration, consumption poverty alleviation and targeted poverty alleviation, consolidate and expand its achievements in poverty alleviation and actively assist in the implementation of the rural revitalization strategy. In 2021, the Company organized a donation activity of “Love Blind Box” under the “Haitong — Love Reading” campaign (海通•愛朗讀『愛心盲盒』捐贈活動) to support the reconstruction of schools affected by the disaster in Henan. In addition, the Company organized the “Doing Practical Work for the Public (我為群眾辦實事)” activity and purchased 1,171 gifts for poverty alleviation to increase consumption. With reference to the teaching of the history of the Communist Party, 13 branches under the party committee in Shanghai addressed the needs of the underprivileged in the vicinity of Laoximen Street through door-to-door visits, writing letters of encouragement and creating a wish-wall full of blessings.

In 2021, the Company donated a total of RMB585.5 thousand to support poverty alleviation and rural revitalization.



CASE: Supporting the Post-disaster Reconstruction of Schools in Henan

In October 2021, Haitong Unitrust organized a donation activity of “Love Blind Box”, the third phase of “Haitong — Love Reading” campaign (第三季「海通•愛朗讀『愛心盲盒』捐贈活動」) in order to promote public welfare under the brand of “Love in Haitong”. The Company organized its employees to make donations under the third phase of “Haitong — Love Reading” campaign and donated “Haitong — Love Reading” blind boxes (「海通•愛朗讀」愛心盲盒) and “Haitong Securities — Little Pomegranate” book corner (「海通證券•小石榴」書屋) to kindergartens, primary schools and secondary schools which were severely affected by the ‘7.20’ Henan floods, and supported the post-disaster reconstruction of schools in Henan and helped students resume study.



Donation of blind boxes under “Haitong — Love Reading” activity

5. People Oriented and Sharing of Better Lifestyle

As for volunteer services, in pursuit of the volunteering philosophy of “Contribution, Care, Mutual Aid and Progress”, the Company’s “Haitong Unitrust Volunteer Service Team” (海通恆信志願服務隊) participates in various community and volunteering activities. In 2021, as part of the “Caring for Paired Youths in Chinese New Year” Program (「結對青少年春節慰問」活動), the Company recruited volunteers to pair up with the poor and left-behind youths from Chongming to give them support, and continued to pay attention to the living and learning conditions of the paired youths. The Company and its subsidiary, Haitong UniFortune Financial Leasing (Shanghai) Corporation (“Haitong UniFortune”), organized volunteering activities such as services under “Learn from Lei Feng” (學雷鋒) series, inquiry and security services at vaccination centers and traffic order maintenance services, in which 97 employees participated with 288 hours of participation.



CASE: Promoting “Lei Feng Spirit” with Practical Actions

In March 2021, Haitong Unitrust organized a voluntary activity of “Creating New Culture and Action by Learning from Lei Feng (學雷鋒、樹新風、見行動)”. Young volunteers spread the spirit of Lei Feng and carried out extensive publicity, education and promotion of garbage classification, helping residents realize the purpose and create the awareness of garbage classification in order to support the development of a civilized society.



Promoting garbage classification on community bulletin boards

5. People Oriented and Sharing of Better Lifestyle



CASE: Promoting Joint Construction Projects in Communities

The Company has partnered with “Sunshine House” (陽光之家) located at Xiaodongmen Street, Huangpu District, Shanghai to conduct community services since June 2020. During the year, the Company actively participated in public welfare activities and fulfilled its social corporate responsibilities by making full use of its professional expertise as a financial enterprise and the manpower of its volunteer team. In addition to showing care to the disabled students of “Sunshine House” (陽光之家) at Xiaodongmen Street, various joint construction projects were also conducted to promote cooperation and mutual development of the Company and the community. In May 2021, Haitong Unitrust was awarded the “Outstanding Construction Partner” (優秀共建單位).

6. Low-carbon Emission and Mitigation of Climate Change

6.1 CLIMATE CHANGE MANAGEMENT

- CLIMATE CHANGE MANAGEMENT SYSTEM

In September 2021, the Central Committee of the CPC and the State Council issued the *Working Guidance for Emission Peak and Carbon Neutrality in Full and Faithful Implementation of the New Development Philosophy* (《關於完整準確全面貫徹新發展理念做好碳達峰碳中和工作的意見》) as the major strategy for achieving carbon emission peak and subsequently issued *Action Plan for Carbon Emission Peaking Before 2030* (《2030年前碳達峰行動方案》) and other policies. Such policies form a “1+N” system for emission peak and carbon neutrality and an institutional basis for actions to achieve emission peak and carbon neutrality as well as measures to be taken by all key sectors and industries in the future.

As a financial enterprise, the Company has proactively responded to the concerns about climate change of the government, investors and other stakeholders. The Company assesses its operation risks and opportunities arising from climate change based on the framework proposed by the Task Force on Climate-related Financial Disclosures (“TCFD”) of the Financial Stability Board (“FSB”). Countermeasures have been taken based on the assessment results, so as to minimize the impact of climate change on the Company effectively.

6. Low-carbon Emission and Mitigation of Climate Change

Climate Change Management System of Haitong Unitrust

Level	Actions
Governance	The Board is responsible for supervising matters related to ESG, including “coping with climate change”. The ESG Committee of the Board is responsible for identifying and assessing ESG related risks and opportunities, including climate risk. All relevant departments and business units strive to cope with climate change as part of their main duties.
Strategy	Fully aware of the possible material effects of climate change on its operation, the Company conducts comprehensive assessment on the potential impact of risks and opportunities arising from climate change on our financial position. We are committed to mitigating risks and seizing opportunities through low-carbon operation and boosting the development of new energy industries.
Risk management	We identify our business risks and opportunities arising from climate change based on the framework proposed by the TCFD. We also intend to include risk management on climate change into our existing risk management system.
Metrics and targets	Since 2019, we have disclosed statistical data of the total greenhouse gas emissions and greenhouse gas emission intensity of the Headquarters, subsidiaries and branches of Haitong Unitrust in our ESG Report on an annual basis and assessed our business risks and opportunities arising from climate change.

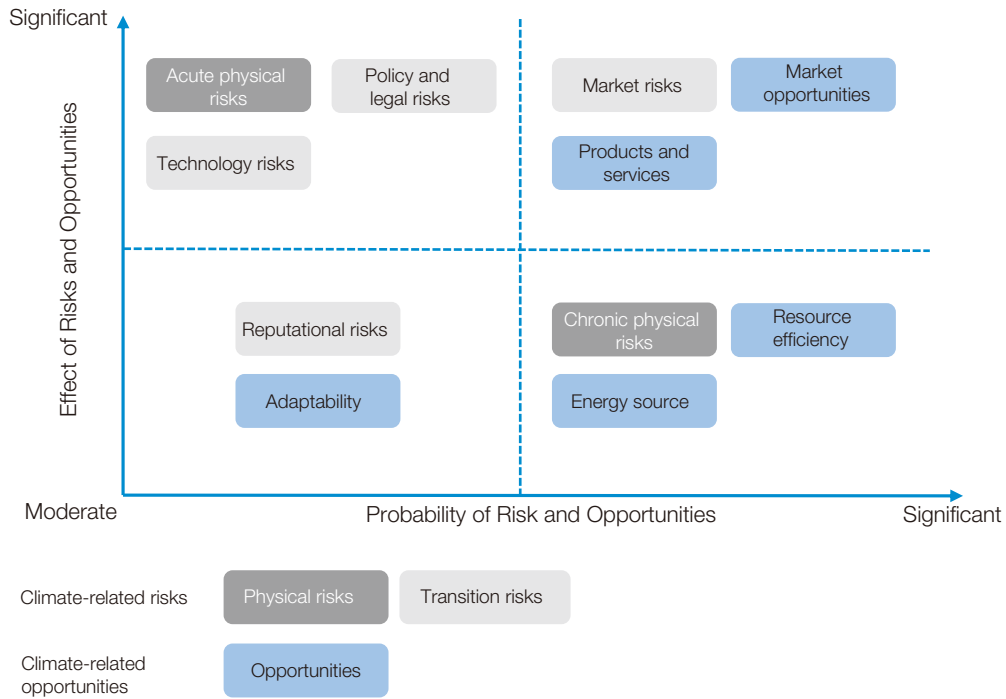
- **MANAGING CLIMATE-RELATED RISKS AND OPPORTUNITIES**

As a financial leasing enterprise, the Company encounters climate-related risks mainly arising from its business operation, including the increase in costs of customers due to physical risks and transition risks. The rising costs may affect their solvency to a certain extent and result in higher probability of default, which in turn may increase the exposure of the Company to customer credit risk. Moreover, the Company holds fixed assets such as leased equipment. Such leased equipment may be subject to transition risks brought by the development of low-carbon equipment and the application of low-carbon technologies, as well as physical risks arising from extreme weather conditions, which in turn results in devaluation of Company’s assets.

In order to mitigate risks arising from climate change and seize opportunities, the Company identifies such risks and opportunities and assess their potential effects on its financial position by studying overall policies, analyzing industry benchmarks and consulting authorities and professionals.

6. Low-carbon Emission and Mitigation of Climate Change

Matrix of Climate-related Risks and Opportunities of Haitong Unitrust



6. Low-carbon Emission and Mitigation of Climate Change

Climate-related Risks and Opportunities of Haitong Unitrust

Climate-related risks/opportunities	Description of risks/opportunities	Potential effects on financial position	Response measures
Climate-related risks	Policy and legal risks	As the government is continuously imposing policies to cope with climate change, our customers may be restricted or prohibited from using high-energy-consuming devices. In addition, the Company and its customers may be in breach of contract or face penalties or litigations for failing to comply with policies and regulations.	Decrease in operating income Increase in operating cost Devaluation of fixed assets
	Market risks	The introduction of low-carbon policies may affect the supply and demand in the market. Our customers who engage in traditional manufacturing industries may face risks relating to pricing and product offerings arising from changes in market supply and demand, including increases in raw material costs, declines in product prices and elimination of products from the market, which in turn result in increases in credit risks arising from decreases in solvency of such customers.	Decrease in operating income Devaluation of fixed assets
	Technology risks	Our customers who engage in traditional manufacturing industries may face transition risks arising from the development and application of low-carbon and energy saving technologies. The Company, therefore, may face higher credit risk caused by declines in solvency of customers resulting from increases in costs of customers. The Company may also face risks arising from devaluation of its fixed assets caused by the upgrade of low-energy consuming equipment.	Decrease in operating income Devaluation of fixed assets
	Reputational risks	As low-carbon economy and climate-related topics have become major concerns of the public, the reputation of the Company may be damaged if it fails to make reasonable response to climate change. In addition, the reputation damage of customers may result in the decline in their solvency, which in turn exposes us to higher credit risks.	Decrease in operating income Increase in operating cost
	Acute physical risks	The Company or its customers may suffer from property damage or interruption of operation due to extreme weather disasters such as typhoons, floods and storms.	Decrease in operating income Increase in operating cost Devaluation of fixed assets
	Chronic physical risks	The daily production or operation of the Company or its customers may be affected by chronic weather disasters such as rising temperature and sea levels.	Decrease in operating income Increase in operating cost Devaluation of fixed assets

- All relevant departments and business units have strived to cope with climate change as part of their main duties
- Climate-related indicators have been included in the ESG due diligence system and climate-related risks have been taken into account as a part of consideration for business development
- The Company has further identified its business risks and opportunities arising from climate change based on the framework proposed by the TCFD
- The Company has included substantive discussion about, and response to, climate change issues in the ESG Report
- Industries with high climate-related risks, including mining, papermaking, and petrochemicals, have been classified as "withdrawal" category

6. Low-carbon Emission and Mitigation of Climate Change

Climate-related risks/opportunities	Description of risks/opportunities	Potential effects on financial position	Response measures	
Climate-related opportunities	Products and services	If the Company provides financial services to climate-friendly companies which are focusing on the development and innovation of low-carbon products and technologies, the Company will benefit from the growth of such customers.	Increase in operating income	<ul style="list-style-type: none"> The Company has put great efforts in providing financial supports for industries which engage in energy conservation and environmental protection, new energy batteries, new energy vehicles and clean energy business
	Market opportunities	With the development of low-carbon economy, climate-friendly products and enterprises have become increasingly popular in the market. The Company strongly supports the development of new energy industry, which is conducive to optimizing the asset structure of the Company and generating stable income for the Company while reducing risks.	Increase in operating income	<ul style="list-style-type: none"> The Company has reclassified the prospect for the photovoltaics and wind power industries from "Interrupting Prudently" to "Provide Moderate support"
	Resource efficiency	Resource expense of the Company may be reduced through enhancing the efficiency of the use of energy, water, materials and other resources in its daily operation.	Decrease in operating cost	<ul style="list-style-type: none"> Haitong Unitrust Tower has been designed to promote energy conservation and emission reduction with the purchase of energy-saving equipment and the use new energy
	Energy source	Resource expense of the Company may be reduced through using low-carbon energy in its daily operation in middle to long run.	Decrease in operating cost	<ul style="list-style-type: none"> The Company began to study the risks and opportunities in the industries focusing on replacing fossil energy with clean energy, and prepared the Special Research Report of "Carbon Neutrality"
	Adaptability	The ability of the Company to adapt to climate change, manage risks and seize opportunities may be enhanced through promoting cooperation with industries or participating in relevant industry exchange for the purpose of tackling climate change.	Increase in operating income Decrease in operating cost	



CASE: Facilitating the Upgrade and Reconstruction of Thermal Power Enterprises

Company J is a cogeneration thermal power enterprise which engage in the industry that the Company provides moderate support. Company J actively responds to the national policy by performing ultra-low emission, flexibility and heating upgrade and improvement of its traditional equipment to increase energy efficiency, which has resulted in greater capital needs.

The Company cooperated with Company J and provided them with financing facilities of RMB130 million for the ultra-low emission and heating improvement of its existing two sets of equipment of 320,000 kilowatt. Hot steam generated from power generation is used for industrial and residential heating, thereby improving power generation efficiency and primary energy utilization. The carbon dioxide emissions have been reduced by approximately 50%, which contributes to the realization of the goals of carbon peak and carbon neutrality.

6. Low-carbon Emission and Mitigation of Climate Change

6.2 CONTRIBUTING TO THE DUAL CARBON GOALS THROUGH FINANCIAL INITIATIVES

As China has been strictly implementing new strategies to ensure energy security, the generation and utilization of energy are undergoing dramatic changes and the energy development has achieved a historic breakthrough, which have made positive contribution to coping climate change and creating pleasant and pollution free environment. Developing photovoltaic power and promoting new energy vehicles have been regarded as major measures for promoting the utilization of clean energy and are essential in achieving the “dual carbon goals” of the government.

Under the development trend of photovoltaic industry and in order to grasp climate-related opportunities and respond to the strategies of the government, the Company has conducted researches on the photovoltaic industry and expand its business to the photovoltaic industry to promote strategic cooperation among the entire photovoltaic industry chain comprising “upstream module inverter manufacturers, midstream project general contractors and downstream power station operators”. In 2021, the Company cooperated with nearly ten leading photovoltaic power enterprises with a total investment of over RMB1 billion.



CASE: “Green Rooftop” Product No. 1

An industrial and commercial distributed photovoltaic power generation refers to a photovoltaic project constructed on idle rooftop of an industrial and commercial building, which generally includes three modes: self-generation and self-use mode, residual on-grid mode and all-on-grid mode. The Company specifically launched the “Green Rooftop” product No. 1 for industrial and commercial distributed photovoltaic power station projects, providing direct leasing and sale and leaseback services to construction projects of photovoltaic power stations.

In 2021, the Company cooperated with Company K, a photovoltaic power station construction enterprise, and participated in the initial construction of a photovoltaic power station through direct leasing by providing construction capital of approximately RMB17.00 million for the construction of photovoltaic power stations on rooftops of factories. The cooperation has promoted the green transformation from carbon intensive energy to achieve the national vision of carbon neutrality.

The automotive industry has become one of the most important and fastest growing sectors of greenhouse gas emission in China. Focusing on new energy vehicles, green and shared transportation and other sectors, the Company formulated the *Green and Shared Transportation Manual* (《綠色共享出行產品手冊》) and provides financing services to transportation sectors including online car-hailing, taxis and public transportation to support enterprises to purchase new energy vehicles and promote the substitution of petrol with electricity.

6. Low-carbon Emission and Mitigation of Climate Change

In 2021, the Company carried out several financing projects for new energy vehicles of transportation enterprises in China, covering Shenzhen, Nanjing, Shanghai, Beijing, Xi'an, Wuhan, Changsha and etc., which further promoted the development of the new energy vehicle industry and the green and shared transportation industry.



CASE: Facilitating Low Carbon Transformation of Online Car-Hailing Business

L Vehicle Leasing Company Limited ("Company L") in Shenzhen is mainly engaged in online car-hailing leasing business. Since its entrance to the online car-hailing industry in 2015, Company L has ranked top among online car-hailing companies in Shenzhen, with over 1,200 vehicles in operation.

In 2021, the Company commenced relevant business with Company L and granted facilities of RMB80 million in total for 550 vehicles, facilitating the online car-hailing business expansion of Company L. As at the end of 2021, with the financial support of the Company, Company L had an additional of 518 new energy vehicles, which has promoted the low-carbon transformation of online car-hailing industry in Shenzhen.



CASE: Initiating Strategic Cooperation with New Energy Vehicle Product and Transportation Solution Provider

Vehicle Manufacturer M is a domestic and emerging new energy vehicle product and transportation solution provider. In April 2021, the Company entered into a strategic cooperation agreement with Vehicle Manufacturer M to share and exchange information in intelligent factory, digital intelligence, industry and finance, and to seek cooperation opportunities in self-driving technology in new energy vehicles and 5G to achieve the "dual carbon goals".

In 2021, Haitong Unitrust was honoured as A Leading Enterprises in Realizing the Dual Carbon Goals in the Fourth Session of China's Financial Leasing Tengfei Award Ceremony.



6. Low-carbon Emission and Mitigation of Climate Change

6.3 FACILITATING GREEN OPERATION

- **GREEN OFFICE**

As a financial enterprise, the Company mainly consumes electricity and natural gases as well as gasoline for its own vehicles in its daily operation. Resources consumed by the Company include water resources which sourced from municipal water. The Company has not encountered any legal obstacles in obtaining water sources. The emissions of the Company are mainly greenhouse gases, as well as non-hazardous wastes such as office waste and kitchen waste, and hazardous wastes such as used batteries, ink cartridges and toner cartridges.

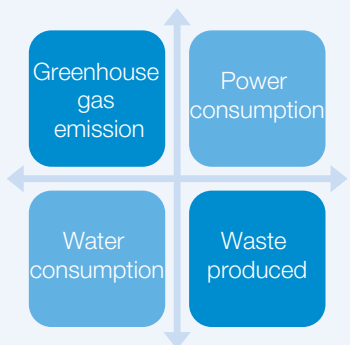
Following the strategies of the government of achieving dual carbon goals and strictly in compliance with the *Environmental Protection Law of the People's Republic of China* (《中華人民共和國環境保護法》) and other laws and regulations related to environmental protection, the Company has actively implemented the concept of green office and taken various measures for energy saving, water saving, emission management, so as to reduce the consumption of energy and resources and control their emissions.

During the Reporting Period, the Company found no confirmed environmental violations with a significant impact on the Company.

Based on its own operating situation, the Company set 2021 as the benchmark and determined ESG targets in four aspects, including greenhouse gas emissions, energy management, water resources management and waste management. The Company will continue to improve its measures and keep track on the progress with an aim to achieve its goal by 2025.

6. Low-carbon Emission and Mitigation of Climate Change

ESG Objectives of Haitong Unitrust

	
Greenhouse gas emission per unit area	Greenhouse gas emission per unit area in 2025 will be controlled at a performance level not higher than the benchmark in 2021, i.e. not higher than 0.07 ton of CO ₂ equivalent/m ² .
Power consumption per unit area	Power consumption per unit area in 2025 will be controlled at a performance level not higher than the benchmark in 2021, i.e. not higher than 90.61 kWh/m ² .
Water consumption per unit area	Water consumption per unit area in 2025 will be controlled at a performance level not higher than the benchmark in 2021, i.e. not higher than 0.61 ton/m ² .
Waste produced	The Company will gradually improve the identification and calculation of sources of non-hazardous waste and hazardous waste, and minimize non-hazardous waste and hazardous waste produced.

6. Low-carbon Emission and Mitigation of Climate Change

Haitong Unitrust Green Office Measures

Key aspects	Specific measures
Water resources management	<ul style="list-style-type: none"> • “Saving Water” labels are posted on water consumption area to encourage water conservation • water-saving equipment is installed to avoid wastage caused by leakage
Energy saving and reducing carbon emission	<ul style="list-style-type: none"> • our office premises are equipped with energy saving computers, refrigerators and lighting systems and other energy-saving equipment • lights that are not in use will be switched off during office hour inspection; lights, computers and other energy consuming devices will be switch off after office hours to avoid waste of power • centralized air conditioning systems are installed, and room temperature will be closely monitored and adjusted by artificial intelligence during summer and winter • video conference and conference call systems are used for remote trainings, interviews, inspections, meetings and other routine activities, so as to reduce the greenhouse gases emission caused by transportation
Green renovation	<ul style="list-style-type: none"> • environmental-friendly products are purchased, including furniture with water-based paint • the use of green, energy-saving and environmental-friendly construction materials is prioritized • green and environmental protection measures are implemented, such as resources conservation and air pollution control, during construction
Paper saving	<ul style="list-style-type: none"> • Purchasing printing system software to realize roaming printing and avoid problems such as repeated printing and printing errors • the default printing setting for each computer is black and white and double side printing
Waste treatment	<ul style="list-style-type: none"> • different types of rubbish bins are placed on each floor to achieve sorting and collection of dry wastes, wet wastes, hazardous wastes and recyclable wastes • kitchen waste is collected and processed by professional teams to avoid secondary pollution and gutter oil • Non-hazardous wastes such as cartons and waste paper, as well as used batteries and electrical appliances, are handed to qualified suppliers for recycling or professional disposal • wastewater is discharged to municipal sewage plants by connecting the in-house pipes to the municipal pipeline

6. Low-carbon Emission and Mitigation of Climate Change



CASE: Saving Papers through Electronic Contracting

In 2021, the Company exerted great efforts in promoting electronic contracting and replaced paper contracts with electronic contracts, which not only reduced use of paper and enhanced the efficiency of contract execution, but also lowered the energy consumption arisen from the travelling of related personnel. In 2021, the Company has signed 101,547 electronic contracts with 616,572 pages in total, and the reduced carbon emission was equivalent to approximately 7,812 kilograms.

Note: The amount of the reduced carbon emission was calculated by 12.67 grams of carbon emission for producing and processing each A4 paper.

Key Quantitative Performance Tables

ANTI-CORRUPTION PERFORMANCE INDICATORS

Indicator	Unit	2019	2020	2021
Number of closed corruption lawsuits lodged against the Company and employees	Case	0	0	0
Times of anti-corruption training ^(Note 1)	Time	32	5	3
Person-time of relevant persons receiving anti-corruption training ^(Note 2)	Person-time	2,088	510	500

Notes 1 and 2: In 2019, the target group of anti-corruption training of the Company was all the employees. In 2020 and 2021, the training was provided to certain employees, such as middle cadres and business backbone personnel. As the scope of training changes, the number of anti-corruption training and the number of participants of anti-corruption training fluctuates. The number of training programs and number of employees involved in anti-corruption-related training or report at the managers' meetings held by the Company in the past three years are included in such data. As a result, the data in this table is different from the data disclosed in the *Environmental, Social and Governance Report of Haitong Unitrust for 2020*.

CUSTOMER SERVICE PERFORMANCE INDICATORS

Indicator	Unit	2019	2020	2021
Number of customer inquiries ^(Note 1)	Case	55,368	113,257	427,144
Including: Number of reasonable complaints ^(Note 2)	Case	0	0	2
Percentage of complaint solving ^(Note 3)	%	100	100	100
Customer satisfaction	%	100	99.4	99.6
Number of verified complaints of customer privacy infringement and losses of customer information	Case	0	0	0

Note 1: [Data scope] The data scope included only the customer inquiries and complaints received by the customer service team under the business operation department of Haitong Unitrust in 2019. The scope of data was extended to Haitong Unitrust and all of its branches and subsidiaries in 2020. The Company opened a new call centre in August 2020. Therefore, the number of customer inquiries and complaints in 2021 and 2020 increased as compared to the previous year. The Company regulated the handling of customer complaints to ensure every complaint is solved properly.

Note 2: Since there have been many unreasonable complaints, only reasonable ones were included in the calculation for the purpose of the accuracy of statistical data. As a result, the Company disclosed the indicator of number of reasonable complaints.

Note 3: [Method of calculation] Percentage of complaint solving = the number of complaints that were closed/total number of complaints.

EMPLOYEE EMPLOYMENT PERFORMANCE INDICATORS

Indicator		Unit	2019	2020	2021
Total employees (including dispatched labours)		Person	1,684	1,744	1,907
By gender	Male	Person	1,090	1,127	1,231
	Female	Person	594	617	676
By employment type	Number of full-time contract employee ^(Note 1)	Person	1,653	1,697	1,807
	Number of full-time dispatched employee	Person	31	47	100
By age group	>50 years old	Person	17	21	28
	30 to 50 years old	Person	1,061	1,231	1,396
	<30 years old	Person	606	492	483
By operating region	Mainland China	Person	1,673	1,735	1,898
	Hong Kong, Macao and Taiwan and overseas	Person	11	9	9
Employee turnover rate ^(Note 2)		%	14.73	17.09	21.50
By gender	Male	%	15.10	18.63	24.21
	Female	%	14.06	14.26	16.57
By age group	>50 years old	%	28.00	14.29	3.57
	30 to 50 years old	%	13.77	14.78	20.42
	<30 years old	%	15.50	22.97	25.67
By business region	Mainland China	%	14.64	17.03	21.39
	Hong Kong, Macao and Taiwan and overseas	%	27.27	22.22	44.44
Employees' leave	Actual number of female employees taking maternity leave	Person	32	30	38
	Proportion of female employees back to work after taking maternity leave ^(Note 3)	%	91	93	97

Note 1: Including re-employment of retired employees.

Note 2: [Method of calculation] Employee turnover rate of a specific category = the number of employees in the specified category leaving employment during the year / the number of employees in the specified category at the end of the year.

Note 3: [Method of calculation] Proportion of female employees back to work after taking maternity leave = the number of female employees back to work after taking maternity leave / the actual number of female employees taking maternity leave.

Key Quantitative Performance Tables

EMPLOYEE TRAINING PERFORMANCE INDICATORS

Indicator		Unit	2019	2020	2021
Person-time of employee training		Person-time	5,478	16,549 ^(Note 3)	13,456
Coverage of employee training ^(Note 1)		%	100	100	100
By gender	Male	%	100	64.62	64.55
	Female	%	100	35.38	35.45
By employee category	Senior management	%	100	0.52	0.47
	Middle management	%	100	3.73	3.83
	General employees	%	100	95.76	95.70
Training duration per employee per year ^(Note 2)		Hours	17	26	33
By gender	Male	Hours	17	27	33
	Female	Hours	17	24	33
By employee category	Senior management	Hours	24	48	58
	Middle management	Hours	22	31	44
	General employees	Hours	17	26	33

Note 1: [Method of calculation] The training coverage of employees under each category in 2019 = the number of employees in the specific category receiving training / the number of employees in the specific category. According to *How to Prepare an ESG Report – Appendix III: Reporting Guidance on Social KPLs* (March 2020) (the "Reporting Guidance") published by the Hong Kong Stock Exchange, the modified calculation method since 2020 is as follows: The training coverage of employees under each category = the number of employees in the specific category receiving training/the total number of employees in the specific category.

Note 2: [Method of calculation] Training duration per employee of each category per year = the total number of hours of training received by employees of the specific category / the number of employees of the specific category.

Note 3: Due to the impact of COVID-19, the Company has transformed its offline training to online mode while expanding the training coverage. Therefore, the person-time of employee training in 2020 increased significantly as compared to 2019.

OCCUPATIONAL HEALTH AND SAFETY PERFORMANCE INDICATORS

Indicator	Unit	2019	2020	2021
Coverage of physical examination for employees ^(Note 1)	%	89	100	100
Occurrence of work-related injuries ^(Note 2)	Time	0	1	2
Absence due to work-related injuries	Day	0	6	41
Ratio of employees' work-related deaths	%	0	0	0
Incidence of employees' occupational disease ^(Note 3)	%	0	0	0

Note 1: [Method of calculation] Physical examination coverage of employees = the number of employees participated in physical examination during the year/the total number of employees at the end of the year.

Note 2: In 2021, 2 employees of the Company were injured by traffic accident during commute or business trip. The Company immediately reported work-related injuries for these 2 employees and these cases were recognized as work-related injuries after the assessment of relevant authority.

Note 3: The Company is a financial company which does not involve occupational hazards such as dust, noise, radioactive materials, etc.

Key Quantitative Performance Tables

TABLE OF ENVIRONMENTAL PERFORMANCE INDICATORS ^(NOTE 1, 2)

Indicator	Unit	2019	2020	2021
Total greenhouse gas emission (Scope 1 and scope 2) ^(Note 3)	Ton of CO ₂ equivalent	985.79	2,298.34 ^(Note 3)	2,555.96 ^(Note 4)
Greenhouse gas emission per person (Scope 1 and scope 2)	Ton of CO ₂ equivalent/ person	0.52	1.35	1.34
Greenhouse gas emission per unit area (Scope 1 and scope 2)	Ton of CO ₂ equivalent/m ²	0.06	0.09	0.07
Total greenhouse gas emission (Scope 3) ^(Note 4)	Ton of CO ₂ equivalent	—	—	2,899.47
Total power consumption ^(Note 5)	kWh	1,010,630.29	2,527,769.00	3,398,889.97
Power consumption per person	kWh/person	611.39	1,489.55	1,782.32
Power consumption per unit area	kWh/m ²	69.93	98.48	90.61
Total water consumption ^(Note 6)	Ton	80.00	5,821	22,869.14
Water consumption per person	Ton/person	0.05	12.15	11.99
Water consumption per unit area	Ton/m ²	0.01	0.40	0.61
Total natural gas consumption	m ³	—	38,400	41,407
Natural gas consumption per person	m ³ /person	—	80.17	73.02
Natural gas consumption per unit area	m ³ /m ²	—	2.65	2.86
Gas consumed by the Company's own vehicles ^(Note 7)	litre	52,407.19	62,663.29	46,785.88
Hazardous waste				
Waste batteries	Unit	200	450	503
Ink box ^(Note 8)	Gram	—	5,012	24,500
Toner cartridge	Pack	—	142	62
Non-hazardous waste ^(Note 9)				
Kitchen waste	Ton	—	108	120

Note 1: [Data scope] The data scope of total consumption and intensity of water and total waste in 2019 included the Headquarters of Haitong Unitrust and Haitong UniFortune. The data scope of other statistics included the Headquarters of Haitong Unitrust and Haitong UniFortune and its 17 branches.

The data scope of total consumption and intensity of natural gas and water and total waste in 2020 included Haitong Unitrust Tower. The data scope of other statistics included Haitong Unitrust Tower, Haitong UniFortune Headquarters and its 17 branches.

The data scope of total consumption and intensity of natural gas and total waste in 2021 included Haitong Unitrust Tower. The data scope of other statistics included Haitong Unitrust Tower, Haitong UniFortune (including all its offices in China), MSE Subsidiary (including all its offices in China) and its 17 branches.

Key Quantitative Performance Tables

- Note 2: In 2019, Haitong Unitrust and its subsidiaries leased their own offices, and their utility charges were included in property fees and could not be separated. The power and water consumption were estimated. Since 2020, the Company has relocated to Haitong Unitrust Tower and has newly operated its own canteen, the water, power and natural gas consumption data of which can be independently calculated.
- Note 3: [Method of calculation] The direct energy used by the Company includes natural gas and gasoline, while the indirect energy includes electricity. Scope 1 greenhouse gas emissions include direct greenhouse gas emission by natural gas consumption and petrol consumption of vehicles owned by the Company, which are calculated based on *How to prepare an ESG report – Appendix 2: Reporting Guidance on Environmental KPIs (May 2021)* issued by the Hong Kong Stock Exchange and the *Greenhouse Gas Accounting Tool for Chinese Cities 2.0* by the World Resources Institute. Scope 2 greenhouse gas emissions include indirect greenhouse gas emission by outsourced power, which are calculated based on the data of 2012 extracted from the *Average Carbon Dioxide Emission Factor of Chinese Regional Power Grids for 2011 and 2012* issued by NDRC.
- Note 4: [Method of calculation] In 2021, the Company included the data and disclosure of greenhouse gas emission (Scope 3). The scope of estimation includes the emission of aeroplane travelled by employees of the Company in business trips. The amount of emission is estimated according to the calculation tool (Scope 3) of Greenhouse Gas Protocol. The Company will further refine the data scope of greenhouse gas emission (Scope 3).
- Notes 5, 6: In 2021, the Company included the data of electricity and water consumption of all offices of Haitong UniFortune in China. The expansion of data scale resulted in an increase in total electricity and water consumption as compared to 2020.
- Notes 7: Due to the impact of COVID-19, a decrease in despatches of vehicles owned by the Company in 2021 resulted in a decrease in its petrol consumption.
- Notes 8: In 2021, due to the expansion of business scale of the Company, ink box consumption increased as frequency of printer usage increased.
- Note 9: The non-hazardous waste generated in the operation of the Company mainly refers to the daily office waste, kitchen waste and other waste. The amount of office waste has not yet been calculated.

SUPPLIER PERFORMANCE INDICATORS

Indicator	Unit	2019	2020	2021
Suppliers in Mainland China	Company	844	688	522
Suppliers in Hong Kong, Macau and Taiwan and overseas	Company	49	51	29

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INDEX TABLE OF THE HONG KONG STOCK EXCHANGE'S ESG REPORTING GUIDELINES (EFFECTIVE FROM 1 JANUARY 2022)

Aspects, General Disclosures and KPIs	Description	Section
A. Environment		
Aspect A1: Emissions		
General Disclosure A1	Information on: <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer <p>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p>	6.3 Facilitating Green Operation
KPI A1.1	The types of emissions and respective emissions data.	Key Quantitative Performance Tables
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions in total (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Key Quantitative Performance Tables
KPI A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Key Quantitative Performance Tables
KPI A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Key Quantitative Performance Tables
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	6.3 Facilitating Green Operation
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.	6.3 Facilitating Green Operation

Aspects, General Disclosures and KPIs	Description	Section
Aspect A2: Use of Resources		
General Disclosure A2	Policies on the efficient use of resources, including energy, water and other raw materials.	6.3 Facilitating Green Operation
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).	Key Quantitative Performance Tables
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Key Quantitative Performance Tables
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	6.3 Facilitating Green Operation
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.	6.3 Facilitating Green Operation
KPI A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	Not applicable, as the Company provides financial products

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Aspects, General Disclosures and KPIs	Description	Section
Aspect A3: The Environment and Natural Resources		
General Disclosure A3	Policies on minimizing the issuer's significant impact on the environment and natural resources.	6.3 Facilitating Green Operation
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	6.3 Facilitating Green Operation
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.	6.1 Climate Change Management
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.	6.1 Climate Change Management

Aspects, General Disclosures and KPIs	Description	Section
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure B1	<p>Information on:</p> <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer <p>relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare.</p>	5.1 Protecting the Rights of Employees
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Key Quantitative Performance Tables
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Key Quantitative Performance Tables

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Aspects, General Disclosures and KPIs	Description	Section
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.	5.1 Protecting the Rights of Employees
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	5.1 Protecting the Rights of Employees
KPI B2.2	Lost days due to work injury.	Key Quantitative Performance Tables
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	5.1 Protecting the Rights of Employees
Aspect B3: Development and Training		
General Disclosure B3	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	5.2 Supporting the Development of Employees
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. top management, middle management).	Key Quantitative Performance Tables
KPI B3.2	The average training hours completed per employee by gender and employee category.	Key Quantitative Performance Tables

Aspects, General Disclosures and KPIs	Description	Section
Aspect B4: Labour Standards	<p>Information on:</p> <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer <p>relating to preventing child and forced labour.</p>	5.1 Protecting the Rights of Employees
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	5.1 Protecting the Rights of Employees
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	5.1 Protecting the Rights of Employees

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Aspects, General Disclosures and KPIs	Description	Section
B. Social		
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure B5	Policies on managing environmental and social risks of the supply chain.	2.3 Risk and Compliance Management
KPI B5.1	Number of suppliers by geographical region.	Key Quantitative Performance Tables
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.	2.3 Risk and Compliance Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	2.3 Risk and Compliance Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	2.3 Risk and Compliance Management

Aspects, General Disclosures and KPIs	Description	Section
Aspect B6: Product Responsibility		
General Disclosure B6	<p>Information on:</p> <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer <p>relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</p>	<p>4.1 Improving Quality of Customer Services</p> <p>4.2 Information Security and Protection of Customer Privacy</p>
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not subject to recalls, as the Company provides financial products
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	<p>4.1 Improving Quality of Customer Services</p> <p>Key Quantitative Performance Tables</p>
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	2.3 Risk and Compliance Management
KPI B6.4	Description of quality assurance process and recall procedures.	Not subject to recalls, as the Company provides financial products
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	4.2 Information Security and Protection of Customer Privacy

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Aspects, General Disclosures and KPIs	Description	Section
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.	2.3 Risk and Compliance Management
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.	Key Quantitative Performance Tables
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	2.3 Risk and Compliance Management
KPI B7.3	Description of anti-corruption training provided to directors and staff.	2.3 Risk and Compliance Management Key Quantitative Performance Tables
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.	5.4 Contributing to Society
KPI B8.1	Focus areas of contribution (e.g. education, environment, labour demand, health, culture and physical education).	5.4 Contributing to Society
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	5.4 Contributing to Society



海通恆信國際融資租賃股份有限公司
Haitong Unitrust International Financial Leasing Co., Ltd.