



2021 Haitong Securities Co., Ltd. Corporate Social Responsibility Report

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# **ESG Statement of the Board of Directors**

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The year 2021 was the first year of the period of the 14th Five-Year Plan and Long-Range Objectives through the Year 2035 and also marked the 100th anniversary of the founding of the Communist Party of China. Under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, Haitong Securities had an accurate understanding of the new stage of development, fully applied the new development philosophy, and actively served the new development pattern. Our main financial indicators and business indicators maintained ahead of peers, and both our Environmental, Social and Governance ("ESG") capability and level improved.

Haitong Securities adheres to the philosophy of "pragmatism, development, prudence and excellence" operation, accurately positions ourselves as a listed company, financial corporation and corporate citizen, and endeavours to achieve high-quality development, chart a promising business blueprint, and devote ourselves to building a harmonious society, thus creating value for shareholders, customers, employees and the larger society. In 2021, the Company set up the Development Strategy and ESG Management Committee of the Board of Directors and made it clear that the Board of Directors shall oversee and take an overall responsibility for ESG work, to make ESG management more standard and efficient. In 2021, the Board of Directors identified the Company's ESG management priorities in the following areas and actively promoted their implementation.

# Making strides in high-quality development through stable operation.

Spearheaded by the industry culture concept of "compliance, integrity, professionalism and prudence", the Company strictly abides by the bottom line for compliance risk control and takes solid steps to ensure that compliance risk management measures are implemented properly. In 2021, the Company established the ESG risk management system and customer ESG due diligence regulations and procedures, and promoted systematic and standard management of ESG risks on the business level. Led by Party building, the Company held series activities celebrating the 100th anniversary of the founding of the CPC, as well as Party history learning & education and corporate culture building, deeply integrating Party building into operation and management. Upholding the "technology-led" development strategy, the Company focused on the development of "Digital Haitong 2.0", in an effort to drive the Company's high-quality development through digital transformation in all respects.

# Charting a promising business blueprint with the pioneering spirit.

The Company has always followed the main line of serving the national strategies and the real economy and has provided support to technological innovation and the transformation and upgrading of the real economy. Meanwhile, by fully leveraging its business advantages and a variety of green investment and financing instruments via various channels, the Company has supported the development of green industries and green projects. In 2021, the Company underwrote 59 new green bonds, with a total amount of RMB55.56 billion. Besides, the newly launched data centre in Zhangjiang High-tech Park was LEED Gold certified. The Company also set environmental performance objectives and will review and report the progress in the pursuit of those objectives every year. The Company is taking actions to help China peak carbon emissions before 2030 and achieve carbon neutrality before 2060.

# Contributing to a harmonious society via co-creation.

The Company attaches great importance to talents development. A diversified, comprehensive training system has been established based on the employee training platform of Haitong Wealth Training Institute to provide continuous support to employees' career development. In 2021, a total of RMB7.8 million was invested in employee training and total training attendance reached 350,000 person-times. Meanwhile, the Company continued to provide west-east and urban-rural paired assistance and put forth effort to promote effective transition from consolidating the achievements in poverty alleviation to supporting rural revitalization. Besides, the Company gathered employee volunteers and assembled a volunteer service team with more than 2,700 members across regions, departments and business lines. The "Love in Haitong" public welfare brand was further deepened.

Looking forward, Chinese investment banks in a new era, under a new pattern and amid a new trend will enter into a new ecosystem, while the Company, a new critical stage of the 14th Five-Year Plan period. Haitong Securities will continue to uphold the development tenet of "seeking for steady growth over the long run", stick to the main task of serving the implementation of national strategies and the real economy, fulfil ESG responsibilities, strengthen our foundation, keep forging ahead with determination, and take practical actions to welcome the 20th National Congress of the Communist Party of China.



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# **About Us**

# Company profile

Haitong Securities Co., Ltd. (hereinafter referred to as "Haitong Securities" or "the Company") was established in 1988 with registered capital of RMB13,064.2 million. The Company has always followed the principles of "pragmatism, development, prudence and excellence" operation and conducted risk control under the philosophy of "being prudent and even conservative". Over more than three decades of operation, Haitong Securities successfully went through numerous market and business cycles, regulatory reforms, and industry transformation and development, and remained the only existing large-sized securities company in operation that was not renamed and did not receive capital injection from the government or become the target entity of any acquisition or reorganization among the oldest securities companies established in the 1980s in China.

## Company profile



# **Business layout**

Haitong Securities has virtually built itself into a financial service group covering a host of business fields such as securities and futures brokerage, investment banking, proprietary trading, asset management, private equity investment, alternative investment, finance lease, and overseas banks. And the Group business network covers six international financial centres in New York, London, Shanghai, Hong Kong Singapore and Tokyo.

As at the end of 2021, Haitong Securities had established branches or subsidiaries in 14 countries and regions across 5 continents. By acquiring and integrating Haitong International Securities and Haitong Bank S.A. and setting up a branch in China (Shanghai) Pilot Free Trade Zone, the Company has gained the first-mover advantage in the Asia-Pacific region and forward-looking strategic reserve in Europe and America. The Company had 340 securities and futures branches in the PRC and more than 19 million domestic and overseas customers.

As at the end of 2021, Haitong Securities' principal holding subsidiaries or joint-stock companies were Haitong International Holdings, Haitong Capital, Haitong Futures, HT Asset Management, HFT Investment, Fullgoal Fund, HT Asset Management, Haitong Innovation Securities, Shanghai Weitai Properties, and Shanghai Zechun.



### **Global Presence of Haitong Securities**



The Company had **340** securities and futures branches in the PRC more than 19 million domestic and overseas customers

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# Organizational structure

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# **Strengthening ESG management**

Improving Services

with Financial Power

and Experiences

# ESG management structure

The Company pays attention to the impact on economy, environment, and society caused by its decisions and operating activities. It keeps improving the ESG management structure, and incorporates its ESG philosophy into the development strategy and day-to-day operations to ensure the continuity and effectiveness of ESG work.

In 2021, to further promote the systematic implementation of ESG management, the Company set up the Development Strategy and ESG Management Committee under the Board of Directors to provide basis for the Board of Directors in developing the development strategy, business strategy and ESG strategy of the Company, study and give advice on medium and long-term strategies and major investment and financing decisions including ESG, and promote standard and efficient implementation of ESG management work.

### Management level

### Board of Directors

work, and takes an overall responsibility for it.

### Development Strategy and ESG Management Committee:

- on topics like business ethics, employee diversity and climate change.
- monitoring systems are established.

### Implementation level

### **Relevant Functional and Business Departments:**

ESG topics, and carry out the work assigned by the ESG working group.



## **ESG Management Structure of Haitong Securities**

· Participates in the deliberation and decision-making of major ESG matters, oversees the Company's ESG

· Guides and reviews the overall ESG philosophy, objectives and strategies of the Company and the identification and prioritizing of ESG topics, supervises the development of ESG management performance targets, reviews the progress in the pursuit of such targets, and gives advice on actions to achieve the targets.

• Reviews the Company's annual CSR Report and other disclosed ESG related information such as regulations

· Assesses ESG related risks and opportunities, and makes sure effective ESG risk management and internal

· Identify material ESG topics relating to departmental work, conduct ESG management and practices based on

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# ESG philosophy

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



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

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



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

# **CSR Model of Haitong Securities**



# **Communication with stakeholders and analysis** of material topics

# Communication with stakeholders

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

Key stakeholders	Concerned topics
Shareholders and investors	<ul> <li>Corporate governance</li> <li>Comprehensive risk management</li> <li>ESG risk management</li> <li>Compliant operation</li> <li>Business ethics</li> <li>Responsible investment</li> </ul>
Customers	<ul> <li>FinTech-empowered development</li> <li>Customer service improvement</li> <li>Investor education</li> <li>Information security and customer privacy protection</li> <li>Serving the real economy</li> </ul>
Employees	<ul> <li>Employee equality and diversity</li> <li>Employee rights and benefits</li> <li>Employee training and developm</li> </ul>
Government and regulators	<ul> <li>Comprehensive risk managemer</li> <li>Promoting the construction of industry culture</li> <li>Compliant operation</li> <li>Investor education</li> <li>Climate change and carbon peak carbon neutrality goals</li> </ul>
Suppliers and partners	<ul><li>Supplier management</li><li>Business ethics</li></ul>
Community and the public	<ul> <li>Philanthropy and volunteer servion</li> <li>Promoting rural revitalization</li> <li>Climate change and carbon peak and carbon neutrality goals</li> </ul>

### Expectations of Stakeholders and Responses

	Communication and responses
ent	<ul> <li>Shareholders' General Meeting</li> <li>Regular information disclosure</li> <li>Communications with investors</li> <li>Establishing a comprehensive risk management system</li> <li>ESG due diligence system</li> <li>Compliance management</li> <li>Anti-corruption system</li> <li>Responsible investment system</li> </ul>
ent t ner	<ul> <li>e-HaitongCai APP</li> <li>Customer inquiries and complaints</li> <li>Customer satisfaction surveies</li> <li>Investor education activities</li> <li>Customer privacy protection system</li> </ul>
y oment	<ul> <li>Remuneration and benefits system</li> <li>Employee training plans</li> <li>Employee recreational activities</li> </ul>
ent ak and	<ul> <li>Regular information disclosure</li> <li>Development of corporate culture</li> <li>Cooperation in regulators' inspections</li> <li>Participation in government surveies</li> <li>Identification of climate change risks</li> </ul>
	<ul> <li>Cooperation and communications</li> <li>Bidding activities</li> <li>Anti-commercial bribery</li> </ul>
vices ak	<ul> <li>"Love in Haitong" series public welfare programs</li> <li>Employee volunteer services</li> <li>Green office</li> </ul>

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# Identification and analysis of material topics

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In 2021, in addition to the CSR topics collection developed from the analysis of the information disclosure requirements from exchanges, the benchmarks from peers, and its actual operations, the Company carried out a questionnaire survey among the stakeholders such as shareholders, investors, customers, employees, the government, regulators, suppliers, partners, community and the public, in an effort to better identify and assess the importance of CSR topics. In the order of identification, communication and analysis, the Company selected 19 material topics which is of importance to itself and its stakeholders, and subjected these topics to the final review and confirmation of the Board of Directorsto ensure that important CSR topics were covered.



### Main Changes of Material Topics in 2021

Topics in 2020	Topics in 2021	Cause for the change
Sustainable finance	ESG risk management Responsible investment	More direct response to the major concerns in the international capital market
Anti-corruption	Business ethics	More direct response to the major concerns in the international capital market
—	Employee equality and diversity	More direct response to the major concerns in the international capital market
Consolidation of poverty alleviation results	Rural revitalization Promotion	Response to the latest national policy requirements
Green operation and climate change response	Climate change and carbon peak and carbon neutrality goals	Response to the latest national policy requirements
	Promoting the construction of industry culture	Response to regulatory requirements

	Material Topi	c Matrix	
High High	Customer service improvement Employee equality and diversity Employee rights and benefits Investor education Rural revitalization promotion Philanthropy and volunteer services	Serving the real economy FinTech-empowered development Responsible investment Employee training and development Climate change and carbon peak and carbon neutrality goals Corporate governance Comprehensive risk management ESG risk management Business ethics Information security and customer privacy protection	
takeholders	Supplier management	Promoting the construction of industry culture Compliance operation	
Medi	um Significance to H	Significance to Haitong Securities Hig	

The analysis of material topics serves as an important basis for confirming the disclosure focus of this report, as topics with higher scores in the two dimensions of "Significance to Haitong Securities" and "Significance to Stakeholders" will become the disclosure focus. The Company will present a comprehensive view of its management on the major topics concerned by stakeholders from such aspects as concepts, management systems, key actions, and action performance.



# Material Topic Matrix

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## ESG Risk Management Structure and Duties on the Business Level of Haitong Securities

Column One:

Putting the ESG philosophy into action and creating new business forms of sustainable finance

# Promoting ESG risk management in an orderly manner

As the ESG philosophy receiving more attention at both home and abroad, ESG has become a comprehensive standard used to measure an enterprise's comprehensive management level, risk control capability and medium- and long-term development potential. The study of the Central Banks and Supervisors Network for Greening the Financial System (NGFS) shows that environment- and climate-related risks may have become one of the major sources of systematic financial risks and pose a systematic threat to financial stability. For financial institutions, it's necessary to prevent ESG risks of customers on the financial business level transforming into market risk, credit risk and reputational risk.

Haitong Securities has attached great importance to ESG risk management on the business level and gradually included ESG risks into its comprehensive risk management system. In 2021, the Company formulated the ESG Risk Management Measures of Haitong Securities Co., Ltd. (Group) (Trial) and the Guidelines of Haitong Securities Co., Ltd. (Group) for Customer ESG Due Diligence, which have standardized the ESG risk management mechanisms and procedures for such business activities as investment transaction business, credit business, investment banking business and customer asset management business, making sure those business activities are operated in an orderly manner within their respective acceptable ESG risk limits.

# Improving the top-level design of ESG risk management



Management level	
Board of Directors	Participates in the deliberation and de company-wide CSR work and takes a
The Management	<ul> <li>Makes overall planning for the implem ESG risk management duties include documents periodically, organizing ES handling major ESG risk incidents of t</li> </ul>
Risk Management Department	<ul> <li>Drafts ESG risk management policies</li> <li>Establishes the ESG risk assessment</li> <li>Organizes the supervision and inspect regulations by each business line;</li> <li>Evaluates the overall ESG risk level a irregularly;</li> <li>Reports major potential ESG risks;</li> <li>Other matters authorized or required business and the supervised or required business.</li> </ul>
Relevant business operation and management departments, branches and subsidiaries	<ul> <li>Implement the ESG risk management and improve unit-specific ESG risk maneeds;</li> <li>Incorporate ESG risk management int implementation of corresponding ESG</li> </ul>

# Building the customer ESG due diligence system

Based on its business realities, Haitong Securities has formulated the Guidelines of Haitong Securities Co., Ltd. (Group) for Customer ESG Due Diligence, which has laid out ESG due diligence regulations and procedures matching the risk characteristics of business activities, making sure that ESG risks faced by each business activity can be correctly identified, prudently assessed, dynamically monitored, promptly delt with, and managed throughout the whole process.

## Overview of the Customer ESG Due Diligence System of Haitong Securities



· /1

ESG risk

<u>-بل</u>

SG risk trigg

and respons

asset management business, etc.

activities with high ESG risks, and customers with major negative ESG events.

• Environmental: environmental management, respond to climate change, etc.

· Social: employee management, supply chain management, etc

· Governance: corporate governance, business ethics, etc.

• Risk trigger: customers who had a major negative ESG events over the past two years, or have scored lower than the accreditation criterion in the ESG due diligence are identified as customers with high ESG risks:

 Response: for customers with high EGS risks, the Company has formulated stricter business decisionmaking procedures; for customers within the duration of business relationship, the Company conducts ESG risk reassessment regularly or irregularly, adopts countermeasures to mitigate risks, and always maintain accurate control over the ESG risk profiles of business activities.

### Main duties

ecision-making of major ESG matters, supervises the an overall responsibility for it

nentation of ESG risk management policies and regulations. reviewing ESG risk management regulations and supporting SG risk identification and assessment work, deliberating and the Company, etc.

- s. rules and regulations of the Company:
- t system of the Company;
- ction of the implementation of ESG risk management
- and its management state and submits a report regularly or
- risk incidents in a timely manner and supervises relevant
- l by the management level of the Company.
- t policies and regulations of the Company, and establish anagement regulations and procedures based on business
- nto own unit's business operations, and organize the G risk management work.

- · Business type: investment transaction business, credit business, investment banking business, customer
- · Coverage: customers in industries with high ESG risks, customers whose main business involves
- The ESG due diligence system has two dimensions, evaluation of negative events and assessment of management capability. The assessment of management capability involves 11 topics in Environmental, Social and Governance and 34 primary indicators. The ESG topics covered by the system include:

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### Conducting ESG due diligence of a power generation company based on the customer ESG due diligence system

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A large power generation company is engaged in coal-fired, gas-fired, hydropower, wind, PV and methane power generation and it is in the front ranks in Shanxi Province in terms of installed capacity, generating capability and heating capacity. Relevant department of Haitong Securities found that some of the company's business such as coal-fired power generation involves industries with high ESG risks as defined by Haitong Securities. Therefore, according to the requirements specified in the Guidelines of Haitong Securities Co., Ltd. (Group) for Customer ESG Due Diligence, the department conducted ESG due diligence of the company based on relevant indicators of the ESG due diligence system.

During the ESG due diligence, the due diligence personnel of Haitong Securities acquired the company's public data such as annual reports and CSR reports by searching on its official website, cninfo.com, etc. and conducted due diligence of the company on ESG management policies, management actions, management performance and potential risks. In the meantime, they searched information about the company's negative ESG events in the past two years on regulators' or authoritative third parties' websites such as www.creditchina. gov.cn, the official website of the Ministry of Ecology and Environment of the People's Republic of China, and the Institute of Public & Environmental Affairs. Finally, the company was given a score higher than the accreditation criterion in the ESG due diligence in 2021 and was not one of the customers with high ESG risks identified by Haitong Securities and could therefore conduct business as usual with Haitong Securities. In future, Haitong Securities will continue to pay attention to changes in the company's ESG risks, conduct an ESG reassessment when appropriate, and make sure the company's ESG risks are under control.

### Haitong Securities conducts Group-wide ESG risk management training

To improve the ESG risk management level of the Company's units and promote the implementation of ESG management measures, Haitong Securities conducted training on ESG risk management regulations in 2021. Specifically, it conducted onsite training on regulations and actual operations of ESG risk management, ESG due diligence and ESG scoring, which further improved the ESG risk management awareness and level of relevant units. Main management and core business staff from 17 business operation and management departments and subsidiaries attended the training.



# Actively applying ESG investment concepts

As ESG investment concepts are becoming more and more popular, investors are paying more attention to the impacts of ESG factors on listed companies' long-term investment. Haitong Securities has actively responded to domestic and international development trends. It has taken into account ESG factors in its investment decision-making process and applied responsible investment strategies such as negative screening, ESG integration, sustainability themed investing, etc., in an effort to promote effective integration of responsible investment concepts with the Company's investment business.



## HFT Investment launches HFT Carbon Neutrality Hybrid Fund to promote sustainability themed investing

In September 2021, HFT Investment launched HFT Carbon Neutrality Hybrid Fund, one of its first four carbon neutrality funds, with an offering size of RMB 812 million.

The Fund will track the development trends in carbon neutrality fields in their pursuit of the goal of "carbon neutrality" and focus on the growth potential and business models of relevant listed companies and their upstream and downstream industrial chains. It will actively seize investment opportunities in individual stocks in "carbon neutrality" industries and strive to achieve continuous and stable gain in fund assets.

## Haitong International Issued the World's First ESG-themed Asia (ex-Japan) High Yield Corporate USD Bond ETF

Leveraging its established core competency and brand influence in ESG investment, Haitong International had launched the first ESG-themed A-share ETF in the Hong Kong stock market in 2020, followed by the world's first ESG-themed Asia ex-Japan High Yield Corporate USD Bond ETF in the European market, which is favoured by overseas investors and saw a rapid rise in asset size.

In the meantime, the Company actively took part in ESG investment communication and exchange activities, applied ESG investment concepts, and built a responsible investment image. At the 2021 Annual Conference of the Green Finance Committee of the China Finance Society, HFT Investment and a number of scholars and institutions signed the Ecological Initiative of Beijing ESG Investment (Fund), according to which, it would actively participate in the study and preparation of ESG investment related standards, policies and regulations. In September 2021, HFT Investment joined the United Nations Principles for Responsible Investment (UNPRI), promising that it will explore investment opportunities that will have long-term positive impact on the environment and society under the guidance of the six principles for responsible investment and showing its determination to apply ESG investment strategies.

## ESG Investment Strategies and Application of Haitong Securities

### Application

HFT Investment used the quarterly comprehensive ESG scores in a third-party ESG database. The scores were divided by ranking into nine grades, which are AAA to C from high to low. The Company eliminated enterprises with a grade of BB or below, accounting

HFT Investment incorporated third-party ESG public opinions into its multi-factor model; it took into account comprehensive ESG scores based on CSI 300 in the optimizer, which made the comprehensive scores of the portfolios after optimization better than the

HFT Investment has invested in new energy industrial chains such as NEV, wind power, PV, energy storage and green power. As at December 31, 2021, HFT Investment held

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# Column Two:

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# **Response to climate change**

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Climate change has become one of the biggest threats to human being. The Global Risks Report 2022 published by the World Economic Forum points out that climate change continues to be perceived as the gravest long-term threat to humanity and climate inaction will lead to losses projected to be one sixth of global GDP. General Secretary Xi Jinping announced at the general debate of the 75th Session of the UN General Assembly in 2020 that China will peak its carbon emissions before 2030 and achieve carbon neutrality before 2060 (the "30.60" goals), further accelerating China's green and low-carbon transformation.

Haitong Securities was fully aware of the severity of the climate change issues and the urgency of climate actions. Based on the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD) of the Financial Stability Board (FSB), Haitong Securities carried out climate change risk management work in the perspectives of governance, strategy, risk management, indicator and objective.

### Climate Change Management System of Haitong Securities

The Board of Directors gets involved in the deliberation and decision-making process of major ESG matters including climate change. It supervises climate change matters and takes an overall responsibility for them.

The Development Strategy and ESG Management Committee of the Board of Directors guides the development of climate change related management objectives, reviews disclosed information of climate change related topics, assesses climate change risks, etc.

Strategy

Risk

Fully analyse and assess the potential financial impacts of climate related risks and opportunities on the Company's operation and business, and reduce climate change risks and seize opportunities by conducting low-carbon operations, supporting the development of the new energy industry, etc.

Identify climate change risks and opportunities relating to the Company based on the TCFD framework. and determine their materiality.

Build the customer ESG due diligence system, take into account customers' climate change factor, and include customers' climate change related management such as energy management, carbon emission management and energy conservation and carbon emission reduction measures in business activities such as investment transaction business, credit business, investment banking business and customer asset management business and their negative environmental events into due diligence.

Make statistics of, analyse and disclose such indicators as greenhouse gas emissions, greenhouse Motrics gas emissions per unit area, etc. every year, evaluate the Company's management level of the climate change topic using those indicators, and develop an improvement plan based on the evaluation results, so as to promote energy conservation and emission reduction.

Analysing the Company's 2018-2020 green gas emissions and energy use intensity and relevant intensity data of enterprises in the financial sector comprehensively, based on the Company's anticipated growths in personnel and business during the 14th Five-Year Plan period, the Company set greenhouse gas emission and energy management objectives<sup>1</sup>, that is, with 2020 data as the benchmark, greenhouse gas emissions per unit area should be maintained below 0.1tCO<sub>2</sub>e/m<sup>2</sup> by 2025, and with 2020 as the benchmark, while power consumption per unit area should be reduced by 6% by 2025. Meanwhile, the Company will disclose the progress in the pursuit of those objectives in the annual CSR report periodically.



### Trend of power consumption per unit area of Haitong Securities (kWh/m<sup>2</sup>)



Note 1: The greenhouse gas emissions are calculated by combining the emissions directly generated from the Company's natural gas consumption and vehicle gas consumption, and indirectly generated from outsourced power

Note 2: The data on greenhouse gas emissions and energy management objectives cover the headquarters (the Haitong Securities Tower on Guangdong Road) of Haitong Securities, its branches, data centers of the parent company and the headquarters of Haitong International, Haitong Capital, Haitong Futures, Haitong-Fortis PE, HFT Investment, HFT Investment, and Haitong Innovation Securities.

Note 3: The Company's greenhouse gas emissions and energy consumption maintained at a relatively low level over the past three years. However, with the opening of the data centre in Zhangjiang High-tech Park in 2021 and the new headquarters building in South Band in May 2022, the Company's greenhouse gas emissions and energy consumption are expected to rise in the next one to two years. The Company will further strengthen management and achieve reductions in greenhouse gas emissions and energy consumption after relevant data become stable.

ESG Management and Performance

### Target development trend

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To better identify the risks and opportunities in Haitong Securities' business activities and operations brought by climate change, the Company conducted identification, assessment and analysis of climate-related risks and opportunities. By combining expert opinions, the Company identified material risks and opportunities and disclosed them in the report.

### Identification, Assessment and Analysis of Climate-related Risks and Opportunities



### Climate-related Risks and Opportunities of Haitong Securities (Matrix)







## Analysis of Climate-related Risks and Financial Impacts of Haitong Securities

Risk type	Risk description	Potential financial impact	Management measure
Market risks	As low-carbon policies are issued and stakeholders pay more attention to climate change issues, the supply-demand structure of green products on the market will change, and that may have an impact on the Company's business and may also lead to rise in credit risk or decrease in value of investment portfolios with decline in customers' solvency, thus affecting the Company's operating income.	<ul> <li>Decreased operating income</li> <li>Reduced value of investment portfolio</li> </ul>	<ul> <li>Establish a climate change risk management mechanism, which is supervised by the Board of Directors, guided by the Development Strategy and ESG Management Committee</li> <li>Identify climate-related risks and opportunities relating to the Company's operations according to the TCFD framework</li> <li>Pay attention to ESG risks including environment- and climate-related risks in the customer due diligence process</li> </ul>
Policy and legal risks	As climate-related policies come out successively, the Company, customers and investment targets may face defaults, penalties, lawsuits and other loss-caused events due to their failure to meet policy and regulatory requirements.	<ul> <li>Decreased operating income</li> <li>Reduced value of investment portfolio</li> </ul>	

Opportunity type	Opportunity description	Potential financial impact	Management measure
Market opportunities	Under a background of low- carbon economy, the market prefers climate-friendly enterprises. Developing innovative climate-friendly products and services will win the Company more space for the future revenue growth.	<ul> <li>Increased operating income</li> <li>Increase in the value of investment portfolio</li> </ul>	<ul> <li>Develop green finance business and provide financial services for energy conservation, environmental protection, new energy and other green industries</li> </ul>
Products and services	Providing financial services to, or investing in, climate- friendly companies that develop innovative low-carbon products and technologies can help the Company win more space for revenue growth.	<ul> <li>Increased operating income</li> <li>Increase in the value of investment portfolio</li> </ul>	<ul> <li>Develop green financial products such as energy conservation, environmental protection and carbon neutrality funds</li> </ul>

Based on the matrix of climate-related risks and opportunities, Haitong Securities analyzed two highly material climaterelated risks (market risks and policy and legal risks) and two highly material climate-related opportunities (market opportunities and products and services), and assessed their potential financial impacts, so as to take appropriate

# Analysis of Climate-related Opportunities and Financial Impacts of Haitong Securities

Column Two: Serving "Carbon peak and carbon neutrality" strategy and innovating in green development path Improving Services and Experiences with Financial Powe

Supporting CTG in successfully issuing the first carbon

### China Three Gorges Corporation (CTG) is the largest clean energy group in China and the largest hydropower development enterprise in the world. Its main business includes hydropower, new energy, ecological investment and operation, etc.

neutrality green corporate bonds

Since 2018, Haitong Securities has supported CTG declaring and registering RMB60 billion corporate bonds (RMB14.5 billion green corporate bonds have been issued) and RMB20 billion green exchangeable corporate bonds (issued). The two parties have established a good cooperation relationship. In March 2021, as the lead underwriter, Haitong Securities supported CTG becoming the first to answer the national goal of lowcarbon development and successfully issuing the first carbon neutrality green corporate bonds - "GC 01" at the Shanghai Stock Exchange, with an issue scale of RMB1 billion. In this case, Haitong Securities gave full play to the role of green financial instruments in supporting low-carbon development to assist CTG in building a clean, low-carbon, safe and efficient energy system, promoting the high-guality development of the green new energy industry.

Moreover, the Company actively established extensive contact and close cooperation with relevant enterprises, research institutes and international organizations, and promoted industrial cooperation, discussion on paths, exchange activities, etc. under the "30.60" goals, continuing to expand the technical strength and influence of financial services for carbon neutrality.

## Haitong Securities Research Institute holds the Carbon Neutrality Conference

In April 2021, Haitong Securities Research Institute held the Carbon Neutrality Conference in Shanghai. Macro strategy analysts and relevant industry analysts from the Research Institute interpreted investment hot spots in "carbon neutrality" sectors and presented their outlook. Meanwhile, the Research Institute invited experts in the fields of "green finance" and ESG to have a roundtable discussion and give professional interpretations of national carbon emission reduction policies.

The Conference briefed the current situation of green finance and ESG investment and financing markets, the specific measures adopted by financial institutions to achieve their own carbon neutrality and support the carbon neutrality of the real economy, and the development opportunities brought about by carbon neutrality. It provided theoretical support and reference for practices of carbon neutrality for public offering customers, insurance asset management customers, private offering customers, etc.

# **Developing green finance**

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The Guidelines on Building a Green Finance System issued in 2016 upgraded green finance system into a national strategy. With the announcement of the "30.60" goals, China's green finance development has entered a new stage.

Haitong Securities actively answered the calls of national policies and supported the development of green industries and green projects with a variety of green investment and financing instruments via multiple channels. In 2021, Haitong Securities underwrote 59 new green bonds, with a total issue scale of RMB55,560 billion. Among them, 17 were carbon neutrality bonds, with a total issue scale of RMB19.395 billion.Haitong International helped customers complete the issuance of 40 green bonds with a scale of USD11 billion, up 267% from 2020.



Serving the green asset-backed plan to support the development of the clean energy industry

In September 2021, "CITIC Securities-PowerChina 2021 Green Asset-backed Plan (for Carbon Neutrality)", with PowerChina's Sinohydro Bureau 5 Co., Ltd., Sinohydro Bureau 7 Co., Ltd., Sinohydro Bureau 9 Co., Ltd., Sinohydro Bureau 11 Co., Ltd., Sinohydro Bureau 14 Co., Ltd., Beijing Engineering Corporation Limited and Guiyang Engineering Corporation Limited as its originators and PowerChina (Beijing) Fund Management Co., Ltd. ("PowerChina Fund") as its agent, was successfully issued, with an issue scale of RMB1,895 million. All of the proceeds will be used to support clean energy projects such as wind power, hydropower and PV projects.

As the seller of the product, Haitong Securities assisted PowerChina Fund using the "multiple originators + agent" model to provide member units with packaged service for issuance of securitization products and thus helping member units optimize asset structure and make better use of stock assets. The successful issuance of the product is a real practice in response to the goal of "peaking carbon emissions and achieving carbon neutrality". It has reflected Haitong Securities' full understanding and grasp of green finance policies and contributed to the development of green industries.

ESG Management and Performance



Column Two: Serving "Carbon peak and carbon neutrality" strategy and innovating in green development path Laying a Solid Governance Foundation through Stable Operation Improving Services and Experiences with Financial Powe

**Building green data centres** 

In the building of green data centres, the Company currently has five data centres (machine rooms), including the data centre in Zhangjiang High-tech Park and the machine room at the headquarters building Haitong Tower that the Company owns, and the machine room at the Shanghai Stock Exchange Earth Station of Satellite in Waigaogiao, the machine room at the SSE Tong Jingiao, and the remote disaster recovery room at the SSCC Southern Centre that the Company has leased. By using cloud computing and virtualization technology intensively and maximizing the use of resources on hardware platforms, the Company has reduced space occupation of machine rooms and energy consumption of devices in machine rooms.

## Haitong Securities Data Centre in Zhangjiang High-tech Park Receives **LEED Gold Certification**

In 2021, the new data centre that Haitong Securities launched in Zhangijang High-tech Park was officially granted the LEED V4.1 Gold certificate by the US Green Building Council, becoming the only data centre among securities and futures operators to receive the Gold certification. That indicates the data centre has not only achieved a high level in energy conservation and high efficiency and benefit in operation but also shows sustainability on the whole in saving land, water and materials and indoor environment

Measures for the Building of the Green Data Centre in Zhangjiang High tech Park

In terms of water-saving measures, it uses the circulating water system and adopts advanced process to effectively control the sprinkling rate and evaporation rate of circulating cooling water; -----In terms of material-saving measures, it uses recyclable materials;

In terms of indoor environment, it has achieved hexahedral thermal insulation of the data centre with the use of special materials.

## Haitong International provides a boost to financial institutions' carbon neutrality

In 2021. Haitong International released the Paths and Measures Adopted by China's Financial Institutions to Achieve Carbon Neutrality with the task force for the UK-China Climate and Environmental Information Disclosure Pilot, and the report titled Hong Kong: The Future-oriented International Finance Centre with the One Country Two Systems Research Institute, in which Haitong International wrote special prospect and initiative of building Hong Kong into a global sustainable finance centre and ESG investment hub, providing a boost to financial institutions' carbon neutrality.

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Report Release of Hong Kong: The Future-oriented International Finance Centre

# **Building an eco-friendly new headquarters** building

Haitong Securities adhered to the principle of energy conservation and environmental protection. It continued to renovate workplaces with energy-saving technologies and vigorously promoted the idea of eco-office to reduce resource waste in the office process, improve the utilization rate of resources and energies, reduce operating cost, and create a green and efficient office environment.

In 2021, in the design and construction of the fitting-out project of the South Band headquarters building of the Company, through the selection of finishing materials, the energy-saving design of control systems, etc. it reduced the energy consumption of the new building after it's put into use, achieving energy conservation and emission reduction.

### Energy Conservation and Emission Reduction Measures of the South Band Headquarters Building



Natural inorganic materials such as natural inorganic paint and natural veneer are used as finishing materials. effectively reducing emissions of pollutants and prolonging the service life of materials;

LED lamps are adopted, which have higher luminous efficiency and a longer service life. Meanwhile, LED lamps are easy to recycle after discarded. Because they are free of pollutants like lead and mercury, they are greener and friendlier to the environment:

An intelligent air conditioning control system are designed to reasonably control the states of devices in each area and thus reducing energy consumption.

ESG Management and Performance



LEED V4.1 Gold Certificate of Haitong Securities Data Centre

In terms of energy conservation, the data centre adopts energy-saving devices such as free refrigerating plate heat exchangers, variable frequency water pumps, LED lamps, etc.;

# 02 Laying a Solid Governance Foundation Through Stable Operation

In recent years, as financial risks gradually converged and controlled on the whole, the capital market has shown an ever-better structure and significantly higher vitality and resilience. However, we are clearly aware that the capital market is still in a period of easy, frequent and high occurrence of risks. We will adhere to bottom-line thinking, take targeted measures and prescient actions, recognize telltale signs, and solve small problems early to forestall all risks.

Comments from Yi Huiman, Chairman of the CSRC, in an interview with Xinhua News Agency in December 2021

- The Company has been rated "A" for its information disclosure by Shanghai Stock Exchange (SSE) for 6 consecutive years;
- In 2021, the Company carried out 6 special tutoring Party-lessons, and set up 126 teams to publicize the Party's history in primary-level organizations. These teams held 622 publicity sessions for a total of more than 18,000 people.



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# **Refining corporate governance**

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# Optimizing corporate governance structure

In strict accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the relevant rules of the CSRC, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and other applicable regulations, the Company has developed a corporate governance structure where the Shareholders' General Meeting, the Board of Directors, the Board of Supervisors and the Management operate with separate powers and checks and balances. By allowing all levels to perform their respective duties and powers, the Company has ensured its well-regulated operation and scientific, standardized and transparent governance. According to its articles of association, the Company has three employee supervisors, who are elected by the Employees' Congress, In this regard, the Company fully protects employees' rights to participate in corporate governance.



Composition of the Board of Directors and Convening of Relevant Meetings in 2021



# Improving information disclosure quality

In terms of information disclosure, the Company has developed a standardized, concise and easy-to-understand information disclosure model mainly based on investors' value judgment. With this model, the Company's information disclosure has become more transparent and its information disclosure system more refined. In addition to mandatory information disclosure, the Company has actively promoted voluntary information disclosure. It has offered to disclose the information on the major topics concerned by the domestic and foreign investors and capital markets. In doing so, the Company has responded to investors' real concerns, conveyed investment value, and guided reasonable expectations.

To maintain open, fair and impartial information disclosure and protect the legitimate rights and interests of the majority of investors, the Company has revised the Registration System for Insiders of the Company in accordance with the Provisions on the Registration Management System for Insiders of Listed Companies newly revised by the CSRC in February 2021. As a result, the Company has further strengthened the confidentiality of inside information.

In 2021, in addition to the disclosure of regular reports, the Company disclosed 47 extraordinary A-share announcements and 115 H-share announcements and notices. Meanwhile, based on its own characteristics, the Company upgraded its information disclosure column in terms of form and content, and began to supervise its subsidiaries launching and refining their information disclosure columns, in an effort to ensure timely and effective information disclosure.

# Strengthening investor communication

With great importance attached to investor communication, the Company has deepened the tiered investor maintenance mechanism based on investor demands. The Company has continuously strengthened the online and offline communication with investors, actively conveying them its business strategies, tactics and results.

The Company has developed a complete daily communication mechanism. Through the channels such as investor hotline, online interaction platform, e-mail, teleconference, on-site receptions, result briefing, investor conference, roadshows, and SSE E-interactive platform, the Company has strengthened its communication with domestic and overseas investors and made its operation more transparent.

With an ever-stronger awareness of active market value management, the Company has improved its relationship and information communication with investors, brokerage analysts, media and regulators, and timely reported the opinions and expectations from the capital market to the Board of Directors and the Management. By doing so, the Company has well combined its forward-looking market thinking and development strategies.



the Company organized 47 on-site surveys and teleconferences

attended a number of strategy meetings held by well-known domestic and overseas investment

banks, welcomed 5 investors

nearly 500 investor hotline calls received

96 surveys and visits by analysts and researchers

### answered

153 questions on SSE E-interactive platform

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# Strengthening risk and compliance management

# Comprehensive risk management

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Haitong Security attaches great importance to forestalling financial risks. It has always adhered to the risk control philosophy of "being prudent and even conservative" and the "prudent" risk appetite. In strict accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Guidelines for Internal Control of Securities Companies, the Standards for Comprehensive Risk Management of Securities Companies and its Articles of Association, the Company has been constantly improving its multi-level risk management system.

The Company has created a clear organizational structure of risk management that consists of the Board of Directors, the Board of Supervisors, the Management, Chief Risk Officer, departments involved in risk management, branches and subsidiaries. The Company has appointed risk control specialists for all business, business management departments and branches, as well as risk managers for all subsidiaries. The Company evaluates, measures, monitors, responds to, and reports on the main risks in day-to-day operation and management, including compliance risk, money laundering and terrorist financing risks, credit risk, market risk, operational risk, liquidity risk, and reputational risk. It has strengthened the prevention, real-time control and follow-up management of various risks by means of assessment, examination and auditing. Given the regulatory requirements and its reality, the Company revised the Market Risk Limit Management Measures of Haitong Securities Co., Ltd. and the Comprehensive Risk Management Measures of Subsidiaries of Haitong Securities Co., Ltd. in 2021.

### Actions to Facilitate Comprehensive Risk Management in 2021



In addition, the Company highly values the development of blockchain-based financial platforms. It has kept expanding the application scenarios of blockchain and promoting the application of FinTech in risk management. In 2021, by using blockchain and multi-party secure computation, the Company developed a system for the management of high-risk customer lists. Blockchain could protect the data from being tampered and thus creating a secure environment for data sharing; multi-party secure computation has enabled invisible data use, and realized data transition sharing and security assurance, through which staff can share and use high-risk customer data in a secure manner. The application of this technology has further improved the Company's risk management capability.

# Promoting compliance management

and Experiences

The Company has improved the compliance management system in strict accordance with the Measures for the Compliance Management of Securities Companies and Securities Investment Fund Management Companies, the Guidelines for Implementation of Compliance Management of Securities Companies, and other documents. The Company has carried out compliance management in decision-making, execution, supervision, feedback and other links, to develop an all-round compliance system featuring vertical and horizontal integration and close coordination. In 2021, the Company released the Measures for the Management of Information Isolation Walls of Haitong Securities Co., Ltd. (Revised in 2021) and the Guidelines for the Monitoring of Reverse Transactions between Bond Accounts of Haitong Securities Co., Ltd., further strengthening on the information barriers management.

In 2021, focusing on the basic compliance functions including developing compliance culture and conducting preexamination, real-time monitoring, and post-assessment, the Company upgraded the group-wide central compliance control room system to a higher degree of automation and digitization. Moreover, by systematically verifying the conflict of interests among investment banks and monitoring their bond transactions and other operations, the Bank has further strengthened the application of information technology in compliance management, and improved its compliance management ability and quality.

In terms of cultivating compliance culture, through special analysis, compliance manuals, policy weekly reports, series lectures, reminders of key risks and other means, the Company has timely transmitted important regulatory policies and measures for the industry as well as relevant market trends, and carried out compliance training for all employees throughout the operation and management process.

In 2021, the Company organized 24 compliance training a total of nearly 30.000 employees TIT



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As the grassroots legislative contact point of the Standing Committee of Shanghai Municipal People's Congress, the Company has taken solid actions to play its efficient functions in grassroots legislation and communication. In 2021, the Company participated in the legislation of three national laws, the Company Law (Revised Draft), the Futures Law, and the Personal Information Protection Law, as well as the Provisions on the Withdrawal of Market Entities in Shanghai Pudong New Area. The Company put forward constructive opinions on issues such as deepening the reform of state-owned assets and enterprises, strengthening innovation-driven development, and optimizing and adjusting the layout structure. Moreover, the Company offered suggestions on topics such as ensuring data security, working faster to develop the data element market, and promoting the digital economy to better serve and integrate into the new development pattern. In 2021, the Company organized or participated in 35 national and local legislative activities, and put forward 121 legislative proposals on the drafts of local laws and regulations in Shanghai, with 22 proposals out of them adopted.

In terms of publicity and education of the rule of law, the Company also achieved good results in 2021. Relying on its professional financial knowledge, extensive law popularization network and large base of young employees, the Company publicized the Constitution and the Civil Code, took an active part in legislative research, and kept improving its employees' awareness of studying, abiding by, respecting and using law. In 2021, the Compliance and Legal Department of the Company won the title of the "Shanghai Advanced Group of Legal Publicity and Education in 2016-2020".





# Building a solid defense line for anti-money laundering

The Company has put in place a sound system of AML policies and systems, effectively performs its AML obligations, and fulfills its AML obligations as a financial institution in accordance with the Anti-money Laundering Law, the Measures for Management of Customer Identification and Retention of Customer Identity and Transaction Records by Financial Institutions, and the Administrative Rules for the Reporting of Large Value and Suspicious Transactions by Financial Institutions, among other applicable documents. In 2021, the Company revised the AML internal control systems such as the Implementation Rules for the Management of Money Laundering and Terrorist Financing Risk Self-assessment, the Measures for the Management of Anti-Money Laundering System Authority and the Measures for the Management of Anti-Money Laundering Information Security, to strengthen the requirements on money laundering risk assessment, information security, reporting of high-value and suspicious transactions, classification of customer money laundering risks, etc.

The Company has build up a sound AML organizational structure in the charge of the Board of Directors. In this AML management system, the Company's leading group on AML is responsible for overall planning and coordination of AML work, the Compliance and Legal Department is responsible for leading the implementation of AML work, and relevant business departments and branches are responsible for implementing AML work. To raise the employees' AML awareness and performance, the Company continued to organize seven AML trainings for a total of 25,000 employees in 2021.





At the same time, the Company actively publicized AML knowledge by hanging promotional banners, placing posters, playing animations, setting up AML consultation desks. distributing promotional leaflets and flyers as well as other means. Moreover, the Company integrated AML with other tasks such as combating organized crime, rooting out local mafia, and cracking down on terrorist financing, illegal fundraising and illegal securities activities. On that basis, the Company popularized financial and AML knowledge to community people, and told them to keep away from illegal securities and be more aware of identifying and guarding against illegal securities and money laundering activities. By doing so, the Company has forestalled and combated money laundering crimes, maintained national financial stability. and fulfilled





The Company wins the "Award of Best Practice for AML in Securities Industry in 2021" at the first Luijazui National Financial Security Summit.

# Working with integrity

corporate social responsibilities.

The Company endeavors to maintain a corruption-free working environment, to enhance the self-discipline awareness of employees, and to prevent staff from violating laws and regulations. In 2021, it formulated the new Supervision Plan for the Rectification of Problems Found in the Inspection by CPC Party Committee of Haitong Securities Co., Ltd., and revised the Conference System for the Disciplinary Inspection and Supervision Team Stationed by the Shanghai Municipal Commission for Disciplinary Inspection and Supervision in Haitong Securities. The disciplinary inspection and supervision team stationed in Haitong Securities and the Party Committee of the Company jointly formulated and released the Implementation Measures of Haitong Securities Co., Ltd. for Establishing and Improving the System of Talking with Officials, to set strict integrity requirements for daily work and promote the management of corruption-free practice on all fronts. In 2021, there were no corruption lawsuits against the Company or its employees.

The Company has formulated the Administrative Measures for Integrity in Practice. According to this document, the corruption-free practice management of the Company is directly led by its CPC Party Committee Office, and overseen and guided by the stationed disciplinary inspection and supervision team; the Board of Directors should nail down the objectives of corruption-free practice management and assume responsibility for the effectiveness of such management. For the corruption-free practice management, the main leader of the Company holds primary responsibilities, and other senior executives hold responsibilities within the scope of their duties.

Regarding the protection of whistleblowers, the Company has formulated the Implementation Measures for the Management of Letters and Visits for Whistleblowing to the Disciplinary Inspection and Supervision Team Stationed by the Shanghai Municipal Commission for Disciplinary Inspection and Supervision in accordance with the Constitution of the Communist Party of China, the Supervision Regulations of the Chinese Communist Party, and the Work Rules for Disciplinary Inspection and Supervision Organs to Handle Reports and Accusations. The Measures the Company formulated stipulates the rights of whistleblowers, clearly stating that the Company will seriously investigate and penalize institutional violations and the infringements of whistleblowers' legitimate rights and interests in accordance with regulations, disciplines and laws.





The Company wins the title of the "Best AML Member of 2020" from the Shanghai Gold Exchange.

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### Whistleblowing Ways and Whistleblower Protection Measures



- · External stakeholders can make complaints or blow the whistle by letter, email, telephone, fax, visits, internet, etc.
- · Employees have access to the discipline inspection and supervision platform through the OA system.
- · The whistleblowing contents and the personal information of whistleblowers are kept strictly confidential;
- · It is strictly forbidden to forward or notify the whistleblowing materials and whistleblower information to the organization or person being reported against;
- · The whistleblowing cases are verified and handled on the premise of not revealing the identity information of whistleblowers; and
- · The prior consent of whistleblowers should be obtained, if the publicity and coverage of whistle-blowing case entails the disclosure of their identity information.

In addition, with great importance attached to the development of corruption-free culture, the Company has carried out integrity education among the functional departments of the Headquarter, branches and subsidiaries. A series of courses on integrity in practice has been developed for employees and listed as required courses in the training for officials and new employees.



# Making new progress in Party building leadership

Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for A New Era, Haitong Securities gives full play to the leading role of the Party in "charting the course, managing overall plans, and promoting implementation". The Company has implemented the primary responsibility for full and strict governance over the Party, and firmly deepened the reform of state-owned assets and enterprises, with a focus on promoting its high-quality development led by highquality Party building. In 2021, the Company formulated the List of Responsibilities of Haitong Securities Co., Ltd. under the System of Responsibility for Ideological Work (2<sup>nd</sup> Edition) and the Implementation Measures of Haitong Securities Co., Ltd. for Party Affairs Disclosure, providing institutional guarantee for the development of the ideological responsibility system as well as party affairs disclosure.

In terms of information system development, the Company has established a Party building information system. With functions such as supervision of primary-level Party building, recording of work in Party branches, internal and external publicity, and full-cycle management of Party member development, this system has helped Party organizations at all levels carry out diversified, paperless and data-intensive Party building work with higher efficiency and quality.

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### A Series of Events Held to Celebrate the 100th Anniversary of the Founding of the **Communist Party of China**

On the afternoon of June 29, 2021, Haitong Securities held an event to celebrate the 100th anniversary of the founding of the Communist Party of China at its Headquarters in Zhangjiang Hi-tech Park. At the event, the Company reviewed and eulogized the Party's great achievements made in the past one century, commended the "Haitong Models", paid tribute to the glorious Party members of 50 years' standing. organized a contest on party history, and presented an artistic performance.

In addition, the Company launched other celebration activities such as paying visits to the glorious Party members of 50 years' standing, creating 100 demonstration posts taken by Party members, holding the Party building-themed event of "Celebrating the 100th Anniversary of the Founding of the Party with Dedication to Posts", and collecting the poems with the theme of "Haitong's Praise for the Century-old Party". For its large number of young employees, the Company organized an online and offline contest on Party history. Consisting of individual and group games, the contest attracted more than 3,000 participants from 121 teams in a duration of more than 50 days.



The contest on Party history

The program of "Writing a Letter Home"

# Promoting the building of industry culture

A healthy and fine industry culture is an important manifestation of the soft power and core competitiveness in the securities industry. In 2019, the Securities Association of China released the Proposal for Cultural Building in the Securities Industry, advocating the "formation of 'a loyal, professional, and practical' cultural deposit and a cultural philosophy of compliance, integrity, professionalism, and soundness". Haitong Securities lost no time in establishing a leading group on industry culture development. It studied and formulated the supporting rules and improvement scheme for corporate culture development, and devised specific promotion plans on an annual basis, with a view to turning cultural development into a regular practice of the securities industry.



Haitong Securities holds a meeting to summarize the progress in industry culture building in 2021

2021 was the year for the Chinese securities industry to develop its culture on all fronts. It was also the year for Haitong Securities to consolidate its cultural development results. Guided by the Ten Elements of Cultural Building in the Securities Industry issued by the Securities Association of China, the Company has formulated the Plan of Haitong Securities for Promoting Industry Culture Building in 2021, and fully implemented the requirements of cultural building in the securities industry.



- Implemented the guiding opinions of Ten Elements of Cultural Building in the Securities Industry.
- Strengthened learning and communication.
- Made greater efforts to summarize grass-roots practices and experiences.



### Promoting cultural, talent and corporate development by fostering cultural carriers

- Ensured integrity in practice.
- Did a good job in assessment and motivation.
- Made good use of talents.

rated "A", the highest grade, for its culture building practices.

## Plan for Promoting Industry Cultural Building in 2021



# 03 Improving Services and Experiences with Financial Power

The experience of dealing with the pandemic has once again suggested that serving the real economy and protecting investors' legitimate rights and interests are the root and soul of capital market development and should also be the primary goals of global exchanges and regulators. We should continue to shoulder our mission and responsibility in capital market development, and further strengthen the functioning of the market. We should also rely on the real economy and serve the real economy, in an endeavor to promote the favorable interaction between the real economy and the capital market.

The Speech by Yi Huiman, Chairman of the CSRC, at WFE's 60th General Assembly & Annual Meeting

- The Company has operated **16** IPO projects on the STAR Market, with a total of RMB**17.220** billion raised;
- e-HaitongCai APP has received **41** million users, with an average monthly active user base of over **5.75** million.
- Among the more than 15 million customer services, only 0.016% were complained about, and all complaints have been handled. More than 99% of customers are satisfied with our services.



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a total of

billion raised

RMB17 220

Improving Services with Financial Powe

# Breaking new ground by serving the real economy

# Supporting the development of STAR Market-listed enterprises

Since the launch of the STAR Market, Haitong Securities has firmly held the market positioning of "being stronger in technology". The Company has not only gained a large market share in terms of project amount, but has also sponsored and underwritten a number of companies with high market attention, including International Semiconductor Manufacturing International Corporation ("SMIC"), Shanghai Silicon Industry National Silicon Industry Group Co., Ltd. ("NSIG"), Fudan Zhangjiang National Silicon Industry Group Co., Ltd. ("NSIG"), 3PEAK INCORPORATED ("3PEAK") and other industry leaders, thus making "Haitong" a successful brand in integrated circuits and biomedicine. In 2021, the Company operated 16 IPO projects on the STAR Market, with a total of RMB17.220 billion raised.

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Ed In 2021. the Company operated 16 IPO projects on the STAR Market

» honor

In 2021, Haitong Securities won the first prize of the 2020 Shanghai Financial Innovation Achievement Award from



the Shanghai Municipal People's Government for the IPO of SMIC on the STAR Market. SMIC is the first overseas listed red-chip company that has relisted on the A-share market.

ACM Research, a Leading Semiconductor Equipment Supplier, Sponsored to List on **SSE STAR Market** 

In November 2021, ACM Research (Shanghai), Inc. ("ACM Research") completed its initial public offering and listed on the SSE STAR Market, with Haitong Securities as the sponsor and lead underwriter.

ACM Research established in 2005 is a domestic leader in developing, producing and selling semiconductor cleaning equipment and other dedicated equipment. Its IPO on the SSE STAR Market has been sponsored by Haitong Securities, which is another innovative achievement of the Company on STAR Market listing and the semiconductor industrial chain serving. Serving as an example for the relisting of more overseas-listed Chinese concept stocks, this project has indicative significance for the global development of the A-share capital market.



and Experiences

In December 2021, Shanghai Model Organisms Center, Inc. ("SMOC") listed on the SSE STAR Market with Haitong Securities as the sponsor. SMOC provides genetically modified animal models and relevant technology services for life science research and new drug development, playing an important role in the exploration of gene function, drug mechanism, drug efficacy evaluation and other aspects.

Haitong Securities has provided considerate services throughout the processes of application, review, and issuance for the listing of the first genetically modified animal model company in the A-share market. This project serves as a concrete manifestation of how the Company supports new biomedical R&D and serves the national strategy of innovative technology development.

In addition to equity financing, Haitong Securities follows the Guiding Opinions on Conducting the Pilot Program of Corporate Bonds for Innovation and Entrepreneurship issued by the CSRC to further play its role as an industry leader. Focusing on technological innovation, the Company supports bond financing of innovative technology enterprises in the national key industries.

Western Region

In March 2021, with Haitong Securities as the lead manager and trustee, Chengdu Hi-Tech Investment Group Co., Ltd. ("Chengdu Hi-Tech Investment") publicly issued the 2021 Technological Innovation Corporate Bonds (for professional investors) (Tranche 1) on the SSE, the first of their kinds in China and its central and western region. As a result of implementing the technological innovation strategy under the framework of corporate bonds for innovation and entrepreneurship, this series of bonds will further play its leading role to support innovative technology enterprises in the national key industries.





## Haitong Securities Acts as the Lead Underwriter for Chengdu Hi-Tech Technological Innovation Corporate Bonds, the First of Their Kinds in China and its Central and

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# Facilitating financing for micro and small businesses

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Promoting the development of micro, small and medium-sized enterprises (MSMEs) serves as an important foundation for maintaining the high-quality development of the national economy and a major strategic task regarding people's livelihood and social stability. Haitong Securities has actively implemented the relevant state plans for financial institutions supporting micro and small businesses. It has provided greater financial support for MSMEs, helped enterprises solve their financing problems, and boosted the vitality of micro and small businesses.

# Haitong UniTrust Provides Leasing Services for Small and Micro Enterprises

In an active response to the national call, Haitong UniTrust under Haitong Securities, provided financial lease services for small and micro enterprises. Haitong UniTrust is devoted to the business of equipment leasing for small and micro enterprises. With the increase in business scale, Haitong UniTrust has established a whollyowned subsidiary, Haitong UniTrust Small and Micro Financial Leasing (Shanghai) Co., Ltd., to provide equipment leasing services for small and micro enterprises and support their healthy and vigorous development.

In 2021, Haitong Securities designed and issued multiple series of asset-backed securities (ABS) and assetbacked notes (ABN) for Haitong UniTrust, with an scale of nearly RMB7 billion. Through financial innovation, a steady flow of capital market funds has been channelled towards small and micro enterprise to firmly guarantee their development. As a commendation, the SSE has granted Haitong UniTrust the title of the "Excellent Initiator of Asset Securitization Business" for two consecutive years.

In November 2021, the Beijing Stock Exchange ("BSE") was officially opened for business, which is of great significance for supporting the innovative development of small and medium-sized enterprises and the reform of the National Equities Exchange and Quotations (NEEQ). In an active response to the national call, Haitong Securities has set up a BSE working group mainly composed of the Chairman and the general manager to promote relevant businesses. Focusing on technologically advanced and innovative small and medium-sized enterprises, and charting pictures around the Beijing-Tianjin-Hebei region, the Yangtze River Delta, the Guangdong-Hong Kong-Macao Greater Bay Area, the Chengdu-Chongqing Economic Circle and other areas with a concentration of innovative industries, the Company taps into potential business opportunities. It will follow the progressive principle to keep serving the innovative small and medium-sized enterprises engaged in the businesses under national strategies, providing them with customized overall plans for their "IPOs on the NEEQ and the BSE."

In 2021, the Company assisted four companies in listing on the NEEQ, ranking 4th in the industry. Of the four companies, two have listed on the innovation layer of the NEEQ in the same year. The Company acted as the sponsor for the listing of GMG International Tendering Co., Ltd. ("GMGIT") on the NEEQ select layer, and transferred its listing to the BSE among the first batch of listed companies. The Company has two other BSE IPO projects under review. In 2021, 97 companies listed on the NEEQ are under the continuous supervision of the Company, accounting for 1.4% of the total number of listed companies, while 22 listed on the innovation layer, accounting for 1.8% of the total number of companies listed on the innovation layer.

# Supporting the development of private enterprises

Improving Services

with Financial Powe

and Experiences

In 2018, to broaden the financing channels for private businesses and help listed private companies ease their equity pledge risks, Haitong Securities actively responded to the call of the government and the regulator and lost no time in developing a RMB5 billion Haitong Securities Asset Management No. 1 FOF Single Asset Management Plan ("FOF") under the series of "Securities Industry Supporting the Development of Private Enterprises". In addition, the Company established a working group to manage the bailout funds for private enterprises, guide and urge regional branches to cooperate with local governments and financial offices, and promote the healthy development of the real economy. In 2021, the Company revised the Interim Measures of Haitong Securities Co., Ltd. for the Management of Asset Management Plans under the Series of Securities Industry Supporting the Development of Private Enterprises, further ensuring the steady progress of this business. In 2021, the bailout fund working group reviewed and approved the establishment of three sub-funds with a total scale of RMB1.125 billion; a total of RMB3.905 billion bailout funds were invested, including RMB1.226 billion directly invested by the FOF in nine projects.

# Haitong Securities Helps Major Shareholders of SIEG Ease Liquidity Difficulties

Sanfeng Intelligent Equipment Group Co., Ltd. ("SIEG") is a leading supplier of intelligent logistics conveying equipment, whose main products include industrial robots, automated storage, sorting facilities, etc. In 2020, it was listed among the second batch of "Technologically Advanced Small and Medium-sized Enterprises" by the Ministry of Industry and Information Technology.

In 2021, Haitong Bailout FOF allocated RMB87.10 million to support Zhu Hanping, SIEG's largest shareholder and de facto controller, lowering the individual concentration of his pledged equities to less than 80% and his absolute liabilities from RMB300 million to RMB220 million. This has eased the liquidity difficulties of major shareholders, solved the worries for the de facto controller and the management, and facilitated the continuous corporation operation.

Improve Its Operation Capacity

Ningxia Jiaze Renewables Corporation Limited ("NJRC") is mainly devoted to wind and photovoltaic power generation, which is in line with the national transition strategy towards new energy power generation. NJRC ranks among the first echelon of listed private wind power companies in Ningxia.

In March 2021, Haitong Bailout FOF launched a special plan for Jinyuan Rongtai, NJRC's largest shareholder, This has eased the liquidity risks of major shareholders, improved the Company's operation capacity and market valuation, and supported the development of private green industry enterprises in Ningxia.

## Haitong Securities Uses Block Trading to Support NJRC's Major Shareholders and

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# Promoting regional development and opening-up

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As a leading securities company based in Shanghai, Haitong Securities has firmly seized the opportunity of building Shanghai into an international financial centre. The Company has kept serving the local real economy enterprises well, implemented the integrated development strategy of the Yangtze River Delta, and deepened financial product innovation in the free trade zone, thus further promoting the building of Shanghai into an international financial centre.

## Haitong Securities Assists Shanghai Land in Issuance of First RMB Bonds in Free Trade Zone by a Shanghai-government-owned Enterprise

Haitong Securities has been actively responding to the Guidelines of China Central Depository & Clearing Co., Ltd. for Bond Business in The China (Shanghai) Pilot Free Trade Zone (SHFTZ) and Overseas issued in 2019. In May 2021, Haitong Securities acted as the sole coordinator for the issuance of RMB bonds by Shanghai Land Group Co., Ltd. ("Shanghai Land), the first RMB bonds issued in the SHFTZ by a Shanghai-government-owned enterprise. The proceeds raised were used for the construction of a series of key projects such as Honggiao Development Zone, Lingang Park, and the World Expo Government Affairs Community.

The issuance of RMB bonds in the SHETZ is an important measure to build Shanghai into a RMB pricing centre and financial asset allocation centre, which goes in line with China's pilot free trade zone strategy. Promoting financial innovation in the Shanghai Free Trade Zone can not only drive the economic transformation in Shanghai and serve the national strategy of the integrated development of the Yangtze River Delta, but can also enhance China's competitiveness in the international market.



Haitong Securities assists Shanghai Land in the issuance of the first RMB bonds in SHFTZ by a Shanghaigovernment-owned Enterprise.



In 2021, Haitong Securities won the title of the "Outstanding Contributor in International **Business**" from China Central Depository & Clearing Co., Ltd., which was a full affirmation for the Company's efforts to enrich the crossborder financial system in the free trade zone and actively participate in the building of Shanghai into an international financial centre.



Haitong Securities won the title of the "Outstanding Contributor in International Business" from China Central Depository & Clearing Co., Ltd.

# **Creating value through** technology empowerment

Creating technology-driven investment banking

As emerging technologies such as AI, Big Data, Cloud Computing, and the Internet of Things are deeply integrated with financial services, FinTech has gradually become a new engine to boost the transformation and upgrading of the financial industry. FinTech will drive the value idea from business-oriented to customer-oriented, the management model from extensive to refined, and the profit model from channel-driven to professionalism-driven, continuously reshaping new forms of financial services.

As an explorer and pioneer in the digital transformation of finance sector, Haitong Securities gives play to the leading role of technology. In 2021, to develop "Digital Haitong 2.0", the Company officially released the 14th Five-Year Plan of Haitong Securities Co., Ltd. for Technology Development (2021-2025), and set up a plan promotion group led by the main leaders and a working group led by major business departments. By doing so, the Company began to promote its 14th Five-Year Plan for Technology Development on all fronts.

The 14th Five-Year Plan for Technology Development sets out 25 tasks and 49 sub-tasks in five fields, namely, business development, operation management, data application, technological capabilities, and mechanisms and systems. As at the end of 2021, the Company launched the first phases of business platforms such as "e-HaitongDa", the institutional customer service platform, "e-HaitongQuan", the securities source management system, and "e-Haizhiyan", the investment research service platform, with remarkable empowerment results shown in key business areas; the Company achieved initial outcomes in big data portal development and data analysis and application, and kept improving data management applications.

ESG Management and Performance

Appendixes

Column Two: Serving "Carbon peak and carbon neutrality" strategy and innovating in green development path

AI

Big

Data

Blockchain

## Continuous Efforts to Improve the Comprehensive Internet Platform with "e-HaitongCai APP" as the Core Brand

Since 2014, the Company has been constantly improving its independent research and development abilities as well as its comprehensive Internet service platform with "e-HaitongCai" as the core brand, in a bid to provide customers and investors with one-stop, intelligent, efficient and professional services.

In 2021, the Company worked faster to develop the comprehensive Internet platform and ecosystem based on e-HaitongCai APP. Throughout the year, the Company released 45 versions of e-HaitongCai APP, adding the new functions of value-added services, the BSE column, and intelligent investment, and making major upgrades to market information, wealth management mall and other sections. As at the end of December 2021, this APP received over 41 million users, with an average monthly active user base of over 5.75 million.

## New Features of "e-Haitongcai APP" in 2021

## Build the ecosystem of non-financial products and services

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"Panzhongbao", "Shengi Jiuzhuan", "Intelligent Stock Selection" and other sections had been launched to provide users with high-quality value-added services such as professional information, market indicators, and strategic stock selection.

## Guarantee for BSE businesses

"e-HaitongCai APP" became the first financial application that enables users to open BSE accounts online and enjoy other functions adapted to support BSE businesses.

## Significantly improve intellective level

"e-HaitongCai APP" can make intelligent investments in OTC funds based on market conditions. In its pioneering advanced parameter settings for fixed investment, users can freely set the deduction range, the deduction rate, etc.





Jiuzhuan"



# Leading industry development

Improving Services

with Financial Powe

and Experiences

Haitong Securities has always been actively exploring and trying in FinTech innovation. The Company has integrated Al, Big Data and other technologies with business operations at greater depth, promoted the building of a blockchain application ecosystem in the industry, and advanced the industrial development with FinTech innovation.

## Innovative FinTech Applications in 2021

- checking, and reviewing.
- and operational and compliance risks were reduced.

than 14.000 bond issuers and listed companies.

### Committed to building an industry-leading blockchain financial platform.

- chain transactions ranked among the top in the industry.

With continuous FinTech breakthroughs and innovations, the Company has won more than 20 awards from the People's Bank of China, the China Securities Regulatory Commission (CSRC), the Securities Association of China, the China Computer Users Association and other institutions for core technology researches and innovative IT applications. Specifically, the "Intelligent Review and Regeneration Platform of Standard Work Text for Investment Banking" has for the first time won the second prize of the FinTech Development Award jointly presented by the People's Bank of China and the China Securities Regulatory Commission. The Research on Key Technology in the Application of Intelligent Early Warning against Credit Risks in Securities Companies and the Applied Research on the Blockchain-based Mining, Governance and Security Sharing of High-value Data in the Securities Industry for the first time won the Excellence Awards for Key Research Projects from the Securities Association of China.

### Applying technologies such as Robotic Process Automation (RPA), Optical Character Recognition (OCR), and Automatic Speech Recognition (ASR) in many business fields.

• The Company applied the innovations in rich text format parsing, text regeneration, intelligent review and other aspect to the entire document processing cycle including writing, reading,

• As at the end of December 2021, the Company processed more than 8,300 documents, detected more than 300,000 conflicts, and helped confirm more than 7 million pieces of data with correct calculations and consistency. As a result, documents were prepared with significantly fewer errors,

• The Company co-organized the Artificial Intelligence World Innovations (AIWIN) for the first time by holding the algorithm technology competition with the theme of "Identification and Early Warning of Enterprise Risk Events Based on Internet Public Opinions". Signed up by more than 1,300 teams from top universities and well-known Internet enterprises at home and abroad, this game become the technology competition with the most participants in AIWIN's history.

### Committed to creating a bond credit risk warning system integrated with "data + model + system".

• The system integrates data from eight fields including public opinions, industrial and commercial administration, and finance, and processes more than 1,700 underlying indicators. The system can better capture the changes in subject risks and provide guasi-real-time early warning for more

 The Company developed blockchain-based scenario applications such as electronic deposit certificates and blacklist sharing, and became the first securities company to have passed the functional and performance testing conducted on blockchain systems by the Saixi Laboratory of China Electronics Standardization Institute (a laboratory accredited by China National Accreditation Service for Conformity Assessment). As at the end of December 2021, more than 10.60 million transactions were made on-chain, and the numbers of application scenarios and on-

• The Company actively participated in the construction and governance of industry blockchains. It made connections with industry consortium blockchains such as the SSE Blockchain (SSE Infonet Co., Ltd.), the Tianping Blockchain (Beijing Internet Court), and the SAC Blockchain (Securities Association of China), organized the "Consortium Blockchains Symposium" for the SAC, took an active part in industry standardization work, and formulated and released the standards for leading enterprises in the development of blockchain-based electronic deposit certificates.

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# Protecting customers' rights and interests with optimized services

# Better customer service quality

About

Haitong

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The Company has made continuous efforts to provide better and more satisfactory customer service experiences. It has actively played the role of a bridge to connect the departments, branches and customers, doing a good job in tracking and reporting customers' problems and needs.

According to the requirements of the Measures for Eligibility Management on Securities and Futures Investors by the CSRC, and the Implementation Guidelines for Investor Eligibility Management in Securities Institutions (for Trial Implementation) by the Securities Association of China, holding the principle of "know your customers", the Company has formulated the Trial Measures of Haitong Securities Co., Ltd. for Eligibility Management. This document specifies the Company's organizational structure and division of labour for eligibility management, as well as detailed processes for eligibility management on customers, products and businesses, to ensure effective eligibility management.

In 2021, to continuously improve the communication skills, professional competence and emotional management abilities of the staff in the customer service centre and create an approachable and professional brand image of the 95553 customer service, the Company launched a series of trainings including on-boarding courses, external trainings, special business trainings and daily trainings. Throughout the year, the Company held three external trainings, four special business trainings and more than 200 daily trainings, for the customer service staff.





In 2021, the Company invited experts from professional external customer management agencies to lecture on How to Improve Service Skills in the Omnimedia Customer Service Centre. With an interesting combination of theory and practice, this training gave the customer service staff a better understanding of the value of their posts and the organizational structure of the customer service centre. It helped the customer service staff shape their own basic gualities and learn how to solve customer problems, follow customer needs, thus presenting a better image of the Company. This training was taken by 30 trainees including all the employees who had been employed within one year.



The site of the training on How to Improve Service Skills in the Omnimedia Customer Service Centre

Haitong Securities has fully utilized FinTech and launched a digital operation platform based on Big Data and AI. This digital operation platform supports targeted and centralized background management, data monitoring, service channel connection, and strategy control, allowing the Company to realize centralized, precise and intelligent digital operation, thus optimizing customer transaction experiences and improving operation efficiency.



 Utilizing the digital operation platform to establish service scenarios covering all the business processes to address relevant problems encountered in customer services, further improving the efficiency of financial resource allocation and higher

• As the digital operation platform covers the entire customer service chain. customers' transaction and behaviour data have been analysed to generate precise user profiles, and targeted services have been provided for corresponding users. In this way, users have felt more satisfied with the Company's financial services, and the Company has made data-driven operations and customer

• The digital operation platform has monitored all the business processes, and timely reported problems such as high failures. long dwell time, and frequent bounces.

• Intelligent call-backs have brought better customer service experiences. In 2021, the Company made a total of 109.635 hours of intelligent call-backs to inform customers of their fund insufficiency for new bonds, successful subscription of new stocks, risk assessment expiration, and certificate expiration, and to provide care for customers with new account opening. That equals to the service capacity of 57

• Intelligent Interactive Voice Response (IVR) has brought better customer service experiences, too. IVR is a 24-hour self-service system where customers can get pre-recorded digital or synthesized voice information through the audio menu options. Officially launched in 2021, the Company's IVR system has become available in Shanghai, Zhejiang and Jiangsu, and is gradually being opened nationwide. Since its launch, the IVR system has served more than 11,000 people, and intercepted more than 30% of calls, making a 15% increase in the answering

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# Information security and customer privacy protection

About

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Following the policy of "clear responsibilities, reasonable authorization, standard procedures and combination of technology and management" and the requirements of the Data Security Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China, the Regulations of the People's Republic of China on the Security Protection of Computer Information Systems, etc., the Company formulated a number of policies including the Software System Security Management Measures of Haitong Securities Co., Ltd. and the Implementation Rules of Haitong Securities Co., Ltd for Procurement Security Review of Network Products and Services, and conducted corresponding trainings. The Company managed customer information and transaction data properly, and strictly prohibited employees from divulging, trading and misusing customer information to ensure the security of customer information and transactions. Guided by the "systematic, routinized and real battle-based" principle, the Data Centre kept putting more resources into the development of the information security operation platform, and built up its information security capability from the five dimensions, prediction, protection, response, detection, continuous monitoring and operation. As a result, a long-term mechanism for standardized and institutionalized information security management was established.

### Information Security and Customer Privacy Protection in 2021

### Raising awareness of cyber security

- Made training courseware, videos and exercises on information security awareness for the staff, and explained to them laws and regulations such as the Network Security Law, the Data Security Law, and the Personal Information Protection Law.
- Held phishing email drills to improve the staff's ability to prevent against phishing emails.
- Posted information of the security protection manual on the WeChat Official Account, and sent emails on the cyber security week across the company.
- Set up the column of "Data Governance" in the OA system to publicize relevant knowledge to the staff.

## Building up information security capacity

- Held offensive and defensive drills and practices for cyber security.
- Improved the support for three kinds of core information security capabilities "threat detection, situational awareness and security protection", and launched automatic security operations over security threat detection, response, investigation and disposal step by step.

# Investor protection

For the mission of protecting investors, the Company has focused on eligibility management to continuously improve its customer service quality. The Company has doubled efforts to publicize the qualification for investment, helping investors gain a correct understanding of their risk tolerance and investment goals, and advocating rational investment.

In terms of customer eligibility management, the Company provided comprehensive financial assessment services based on the analysis conducted by the big data platform on customers' basic information, asset status, transaction experience, risk tolerance and other information. At the same time, the account managers explained in detail the rules and risk precautions of the businesses or products, and provided appropriate risk warnings and follow-up services. The Company strengthened follow-up eligibility management on investors to protect their legitimate rights and interests.

In terms of investor education, the Company held the thematic event of "Investor Education on Saturday", the thematic painting exhibition of "Lixingcaihuiying" as well as other activities at national investor education bases. In 2021, the Company organized a total of 44,704 investors to visit these bases, and 97.30% of the investors were satisfied with their visits. In addition, the Company also visited residential communities, schools, and listed companies and launched online contests to spread investment knowledge. Throughout the year, the Company held ten large-scale investor education activities, the "March 15 Campaign", the "May 15 Campaign", the "Publicity Month of Preventing Illegal securities and Futures", "Infrastructure REITs", "Snowball Products", the "Financial Knowledge Popularization Month", the "World Investor Week", "BSE Businesses", "Constitution Publicity", and "Investor Education in 100 Schools", for a total of 2.49 million investors, striving to make investor education a regular practice.



"Investor Education on Saturday"

In 2021, in order for investor education to be incorporated into the national education system, the Company carried out 112 investor education activities in more than 50 primary and secondary schools and nearly 40 colleges and universities nationwide, benefiting over 30,000 students.

## "Investor Education in 100 Universities" - Tongji University

In 2020, the SSE, Haitong Securities, and the School of Economics and Management of Tongii University signed a memorandum of cooperation to jointly launch the "SSE College Practice Course System". This cooperative project aims to develop a series of highquality, standardized, systematic, popular and beneficial "Securities Investment Theory and Practice" courses for students.

On October 25, 2021, Haitong Securities Investment and Education Base held an event with the theme of "Investor Education in 100 Universities · Capital Market Reform and Development". An instructor of the Base lectured on the development history of the Chinese stock market to more than 80 students from the School of Economics and Management of Tongji University. His lively lecturing event was well received by the students.



The thematic painting exhibition of "Lixingcaihuiying"



The lecture with the theme of "Capital Market Reform and Development"

# 04 Charting a Promising Blueprint with Solid Efforts

The state shall establish and improve a multi-level, wide-ranging, and sustainable rural financial service system, improve the evaluation and assessment mechanism of financial support for the revitalization of rural areas, promote the development of rural inclusive finance, and encourage financial institutions to allocate more resources in accordance with the law to the key fields and weak links of development of rural areas.

Law of the People's Republic of China on the Promotion of Rural Revitalization June 2021

- All employees have been trained, with an average amount of 33.22 hours.
- A total of RMB **31.373** million has been invested in rural revitalization.



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# **Empowering career development**

About

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# Talent recruitment and reserve

As talent is an important resource for enterprise development, the Company has always been committed to establishing diversified channels for talent recruitment and creating a competitive environment for talent development.

Each year, the Company predicts its talent demand based on the needs of business development, and then recruits talent in the open market. In 2021, the Company mainly introduced urgently needed talent experts in investment banking and FinTech. Meanwhile, the Company kept recruiting more talents to meet the demand of the research, self-operation and management departments.

The Company has developed a variety of talent recruitment channels, such as online recruitment, campus recruitment, service outsourcing, and headhunting consultants, to meet the talent demand at all levels and developed new pools of talent. At the same time, the Company actively recruits fresh graduates through online advertising, publicity in targeted universities and other means, to promote the employment of fresh college talents. In 2021, the parent company of Haitong Securities recruited 473 employees through social recruitment and 209 through campus recruitment.

ſĘÌ. In 2021, the parent 209 company of Haitong through Securities recruited campus 473 employees recruitment through social recruitment

In addition, in an active response to the Notice on Carrying out the 2021 Sail Plan- Internship for College Students in the Securities Industry issued by the Securities Association of China, the Company recruited interns from universities for investment banking, research, FinTech and other modules whose work included tracking market dynamics, making industry researches, developing case analysis, assisting in project issuance, organizing and processing the data in research reports, etc. While improving the students' professional quality, the Company reinforced its talent reserve. At the same time, the Company established an internship base with Guanghua School of Management of Peking University, and signed the Internship Base Memorandum with the School. The Company relied on talent exchange and cooperation to deepen its partnership with the School to further expand its own talent recruitment channels.

# Establishing a platform for employee growth

The Company is oriented towards the mission of growing into a top-notch investment bank. With the complete institutional system as its foundation the three-level organizational structure of training management as its guarantee, the talent echelon development and value creation as its focus, the tiered training programs and activities as its pillars, the open and cooperative knowledge base establishment as its core task, the closed-loop and quantitative management as its methods, the Company adheres to strategic guidance and business synergy principle, and has carried out tiered trainings for the entire staff. Based on its commitments to innovative development, overall management, platform thinking, and coconstruction and sharing, the Company has conducted systematic management and integrated operations both online and offline, and made great efforts to develop a full-process, systematic and multi-dimensional guality training system and a group-wide training ecosystem. By doing so, the Company has facilitated its talent development and echelon building.

In 2021, the Company held a number of training and learning activities such as the "Sailing Program" onboard training, the "Prairie Fire Program" training for new officials, the "Dandelion Program" quality course development and instructor training, the "Dandelion Program" training for branches, the Haitong Wealth Lecture Hall, and the certification course training, providing ongoing support for employee's career growth.



"Sailing Program" Onboard Training

In 2021. Haitong Securities launched ten sessions of the "Sailing Program" onboard training for a total of nearly 1,000 new employees. The training contained interactive activities as well as targeted courses like Codes of Conduct and Professional Quality for new employees. The training also offered personalized professional elective courses from Haitong Wealth Training Institute so that new employees could continue their self-learning.



The Company attaches importance to the management and leadership improvement of employees and makes great use of various training programs as well as the online courses and live trainings of Haitong Wealth Training Institute to improve the management's operation ability and expertise. In 2021, the Company organized the training for new officials and the open Haitong Fortune Lectures on macroeconomics, ways of thinking, workplace culture, and market trends. The officials of the Company had all completed the required hours of study.

"Prairie Fire Program" New Leaders Training in 2021

In May 2021, Haitong Securities held a "Prairie Fire Program" training in Jinggangshan for nearly 60 new and temporary leaders from its Head Office departments. branches and subsidiaries. The training focused on the three topics, "Party building", "strategy implementation", and "business promotion". By engaging students in the learning and discussions of the contents in "learning, thinking, practicing and comprehending", this training has enhanced the new leaders' comprehensive quality and professional abilities.



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In terms of targeted business training, the Company has launched the "Dandelion Program" for its Headquarters departments, branches and subsidiaries. Through platform training, livestreaming, thematic posting, the Q&A Community and other features, the Company has intensively developed courses and lecturers, and improved the coverage of the "Dandelion Program" as well as the employees' business abilities.

### "Dandelion Program" Training on Branch Businesses

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From May to August 2021, the Company arranged "Dandelion Program" training for ten branches in Guizhou, Hubei, Henan, Chongging, Sichuan and other places according to their training needs and the operational requirements of this program. The ten branches selected such premium face-to-face courses as "Compliance Practice of Marketing Management in Branches", "Financial Product Evaluation and Screening", and "To Be a Product Consultant for Customers" delivered by internal and external lecturers. Nearly 400 business backbones from these branches attended the trainings.

The Company has worked actively to develop the online employee training platform, Haitong Wealth Training Institute. This platform has been integrated with rich internal and external resources and libraries of professional lecturers, courses and cases to support employee growth.

> In 2021, Haitong Wealth Training Institute launched more than 200 courses, and released nearly 600 study maps and exam tasks, with nearly 250,000 people completed the training sessions. Meanwhile, 45 livestreamings were conducted and watched by more than 200,000 people.



In addition, the Company has cooperated with external professional education institutions on employee training programs. In 2021, Haitong Wealth Training Institute worked with New York Institute of Finance to carry out online certificate training on "Python Data Application Series Courses". Through course study and community discussion, the training presented how to use python language to acquire, analyse and visualize financial data. More than 3,000 employees from the Headquarters departments, branches, subsidiaries and other institutions attended the training.

The Company has encouraged employees to devote themselves to their work and improve their business skills. For employees who have obtained professional and technical gualification certificates in investment analysis, wealth management, information technology, risk management, auditing and taxation and other categories stipulated in the Regulations of Haitong Securities Co., Ltd. for Professional and Technical Qualification Certificate Award Winners, the Company has awarded them 50% of their registration fees. In the past three years, nearly 200 employees had applied for bonuses for obtaining professional and technical gualification certificates such as CFA, FRM, and PMP.

# Performance assessment and promotion

In accordance with the Measures for Performance Management of Haitong Securities Co., Ltd. and other policies, the Company implements performance assessment for all employees. At the same time, the Company continuously improves assessment elements, striving to build a featured performance assessment system, and links the assessment results with multiple aspects, e.g. wage distribution, rank rating, performance-based salary adjustment and promotion to develop scientific and impartial performance assessment criteria.

The Company carries out a closed-loop performance management which involves five links: goal setting, process control, result evaluation, feedback, and application.



Application

adjustment.

## **Employee Performance Management Processes**

At the beginning of the year, the institutions break down their annual operational goals layer by layer into the performance assessment indicators for every single

During the year, the Company organizes managers at all levels to regularly track and inspect the performance of the employees and provide them with relevant

At the end of the year, the Company organizes all institutions to carry out a fair and reasonable comprehensive evaluation on the business performance and

The system feeds the annual assessment results back to corresponding employees; if an employee disagrees with his/her assessment results, he/she can request a

The assessment results are applied in the aspects such as benefit-based wage distribution, rank rating, grade evaluation, and performance-based salary

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Pro with

### Feedback and Confidentiality of Employee Performance Petitions

About

Haitong

Securities

The Company has established a petition mechanism for employee assessment results to guarantee justice and equity. Employees are given authority to check their assessment results in the system. If an employee disagrees with his/her assessment results, he/she can apply to his/her department head for a review within one week. If he/ she still disagrees with the review result, he/she may submit a petition to the Human Resources Department within two weeks following the request for the review. After receiving the petition, the Human Resources Department will examine the supporting evidences submitted by the employee and the corresponding assessment data in the system, and confirm the results based on relevant indicators and scoring formulas.

In terms of confidentiality, the Company carries out strict control to ensure that each performance petition is only known by the petitioning employee himself/herself, his/her department executor and head, and the Human Resources Department. Other unrelated persons have no right to know and intervene in the petition. After an employee raises an objection to the results of his/her performance in quantitative indicators, his/her department executor and head will retrieve the original data from the business system and check it with the employee. If the employee still has objections, he/she should submit a petition directly to the Human Resources Department. This process involves no unrelated persons, thus ensuring the confidentiality of employee performance petitions.

In terms of employee promotion, the Company always adheres to the basic principles of systematized, specialized and market-based talent development. The Company has established a Managing Director system parallel to the administrative system. In addition to administrative promotion, the Company has encouraged outstanding professionals to develop their professionalism, expanded the career development paths for all employees, and provided them with just and fair promotion opportunities and broad growth prospects.

The Head Office of the Company has set up the position sequences of investment banking, investment, research, sales, products, functional management, information technology, and front-office support, with 10 vertical ranks and 19 levels. For positions of all sequences and levels, the Company has formulated corresponding eligibility requirements and scoring standards from the six dimensions of education background, credentials, performance, competency, professional qualifications and compliance risk control. The Company has combined position promotion and demotion, and salary raises and cuts to reflect the value of talent.

In addition, the Company has focused on carrying out satisfaction surveys among resigned employees. It has heard the employees' opinions on work content, working hours, work intensity, ability utilization, supervisors, salary, benefits and assessment, training, corporate management, career development, etc., and further improved the work environment, thus making the staff on active duty more satisfied. In 2021, employee satisfaction degree was 96%.

In 2021, employee satisfaction degree was 96%

# Providing in-depth employee care

Driven by the needs of its employees, the Company has developed trade unions to assist and console vulnerable groups, provide employee care, conduct health management and organize physical examinations for the employees, and protect female workers, creating a safe, healthy and warm workplace environment.

In 2021, the primary-level trade unions newly built eigh "Homes of Staff", six "Bookstores of Staff", and three "Caring Mommy Huts" to further expand the channels for employed services. At the same time, the Headquarters Trade Union gave full play to the guarantee role of the Mutua Aid Association for Employees, organizing the primary level trade unions to carry out "Five Must Visits" and pay 4,470 necessary visits, provide 87 pieces of assistance for employees in difficulty, and assist 7 seriously ill employees.

## Activities Launched to Celebrate the International Women's Day

On the occasion of the arrival of the 111th International Women's Day in 2021, the Company organized its trade unions to actively carry out relevant celebration activities based on the requirements for the celebration of the 100th anniversary of the founding of the Communist Party and the actual needs of female employees.

The primary-level trade unions launched the lecture with the theme of "New Era, New Women, and New Image", the program of "Practical Services for the Masses", and other thematic activities like "Hello, Goddess of UniTrust— Meet a Better Self", "Search for the Most Beautiful Li Huanying", and "Four Tasks". In doing so, the Company had actively publicized and protected the legal rights and special interests of female employees, and made them feel more satisfied, happier and securer.

The Company has actively established the communication channels with its employees. Through the Employees' Congress under the Headquarters Trade Union and the communication mechanism established in accordance with its articles of association, the Company has guaranteed the employees' rights to participate in democratic decision-making, management and supervision. In 2021, the Company held the 4th Employees' Conference, reviewing documents such as the *Work Report of Employee Supervisors of the Company in 2020* and the *Collective Contract of Haitong Securities Co., Ltd. (Renewed in 2021).* 

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# Supporting rural revitalization

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# Deepening the collaboration and paired assistance between the eastern and western regions

The year 2021 marked the 100th anniversary of the founding of the Communist Party of China. It was also a crucial year for China to complete its strategic transition from poverty alleviation to rural revitalization. Under the correct leadership of the CSRC, the Shanghai Municipal Party Committee and the Municipal Government, and under the specific guidance of the State-owned Assets Supervision and Administration Commission of Shanghai Municipal Government, Haitong Securities further promoted the collaboration between the eastern and the western regions, and continued to provide paired assistance programs of "One Hundred Enterprises Assisting One Hundred Villages" and "One Company Assisting One County". The Company supported the five counties which had been lifted out of poverty, namely, Xichou in Yunnan, Yecheng in Xinjiang, Lixin in Anhui, Shucheng in Anhui, and Ningdu in Jiangxi, and the three villages located in Xichou, Yunnan and lifted out of poverty in consolidating the anti-poverty results.

### Increasing Resources Allocated to Consolidate and Expand the **Anti-poverty Results in Paired Assistance Counties**

The Company offered increasing assistance to the paired counties. It allocated RMB1.5 million to the three paired villages located in Xichou, Yunnan and included in the program of "One Hundred Enterprises Assisting One Hundred Villages", to support their mountain spring water processing industry and education infrastructure construction; allocated RMB1 million to Ningdu in Jiangxi, to support its construction of the Changsheng Centre Health Centre; allocated RMB1 million to Lixin and Shucheng in Anhui respectively, to support their construction of villager cultural squares and development of agricultural product demonstration greenhouse projects; supported the education in Yecheng, Xinjiang by building safe classrooms, dance classrooms, and kindergarten sports ground for local schools and backing the teaching and research improvement project, "Baoyezhuyan".

\$



allocated h million to RMB the three paired villages located in Xichou

allocated RMB million to Ningdu in Jiangxi



The Company supports the mountain spring water processing industry in Zhongzhai Village.

Haitong Securities has given full play to its resource and professional advantages in the capital market to expand securities financial services at greater depths. The power of the capital market has been utilized to provide continuous financial assistance.

## The Company Drives the Development of Paired Counties with Financial Advantages

In June 2021, Haitong Securities acted as the co-lead underwriter for the issuance of RMB500 million 3-year special corporate bonds for rural revitalization by Jiangxi Communications Investment Group. They were among the first batch of special corporate bonds for rural revitalization in China and the first of their kinds on the SSE. Their coupon rate, 3.42%, was the lowest among the same-term corporate bonds which had been issued in the history of Jiangxi Province, and has been the lowest among the same-term corporate bonds in the national transportation industry since 2021.

The funds raised are used to support the construction of a road leading to villages, as the No.1 Central Document for 2021 requires "great efforts to develop villages, strengthen rural public infrastructure construction, and smooth rural roads". The road starts from Jinglin Village, Gangshang Town, Nanchang County, ends at the Terminal Interchange in Laicun Town, Ningdu County, and intersects with the Shiji section of Quannan Expressway, covering a total length of approximately 248.601 kilometers. This project will conduce to connecting the resources inside and outside the province, be of great significance for promoting the development of surrounding villages, greatly facilitate the transportation of agricultural and sideline products and ease other problems.

Haitong Futures has given full play to its strength in risk management to continuously build the financial brand of "For a Shared Beautiful Life". Through the form of "insurance + futures", the subsidiary has combined over-the-counter options on futures and spot goods to assist rural regions and revitalize agricultural industries.

In 2021, a total of 1 1 "insurance + futures" and over-the-counter options projects were launched for 6 former national-level poverty-stricken counties. These programs guaranteed more than 1 6 mu (about loss of more than  $RMB_{4}$  million and provided more than  $RMB_{1}$  million of financial support. As a result, these programs were well acclaimed by the local government, farmers and relevant institutions.



- 106,667 hectares) of agricultural product cultivation areas, the breeding of nearly 100,000 live pigs, and the businesses of more than 16000 farmers. These programs avoided the nominal principal risk

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# Keeping promoting paired assistance between urban and rural regions

In the drive of urban & rural construction, the Company actively implemented the guiding opinions of the Shanghai Municipal Party Committee and the Municipal Government on deepening comprehensive assistance in local rural areas and carrying out the campaign of "Pairing with Towns and Villages to Promote Rural Revitalization". The Company worked hard and sincerely to provide comprehensive assistance for Chongming District and paired assistance for Fu'an Village in Jianshe Town, Chongming District, Jiulong Village in Shanyang Town, Jinshan District, and Guangming Village in Xuangiao Town, Pudong New District.

### Main Work and Results of Paired Assistance for Rural Regions in 2021

- Focused assistance fo conomic drivi
- The Company has provided RMB5 million of assistance funds for Chongming District every year since 2013. In 2021, the Company allocated a one-off special fund of RMB10 million to this District.
- The Company organized a group purchase of Chongming green agricultural products for its Shanghai-based employees who eventually spent RMB61,000 on such products.
- Over the past nine years, the Company has invested a total of RMB50 million of assistance funds in the Phase-I and Phase-II construction of the Changxing Marine Science and Technology Port in Chongming District, the equities of the CP Group & Chongming Laying Hen Farm with a breeding stock of three million laying hens, and other key economic driving projects.

usehold visit

- At major festivals, the heads of the Company led a team to visit the people in difficulty, the elderly, the students and the disabled in the targeted assistance areas, giving them warm greetings and care.
- The Company organized young employees to do voluntary care activities in Chongming and Jinshan during the New Year and school opening. The volunteers provided regular academic and psychological counseling for paired students.

Brand creation for the revitalization c rural culture

• The Company has worked with Guangming Village to carry out the "Haitong Cup" citizen talent show across Xuangiao Town in Pudong New Area for fifteen consecutive years. This project has gradually become a grand mass cultural event in Xuangiao, and a boutique brand that the town government uses to lead the cultural life in the locality.

# **Contributing to social development**

In 2021, in accordance with the call to "study the Party's history, understand its theories, do practical work and make new advances" in the campaign of Party history learning and education, the Company made full use of the widely distributed Party organizations to gather charity volunteers. The Company established a charity volunteer service team consisting of more than 2700 members and featuring collaboration from multiple regions and departments as well as multi-level interactions. The Company organized all of its Party and League organizations and labour unions to implement the projects on the charity list of "Love in Haitong" and deepen a series of charity volunteer services such as "Make People's Wishes Come True", "Little Starfish Public Welfare Classroom", and "Love in Haitong, Total Involvement".

# Supporting advances in education

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

### **Charity Series Activities in Education**

# Love in Haitong · Little Starfish

In 2021, the Company's Party and League organizations at all levels gave awareness of financial risk prevention.

In 2021, the Company provided paired assistance to 20 more Tibetan college students. By the end of 2021, a total of 70 Tibetan college students and 100 pupils in Kashgar received paired assistance; in conjunction with TCL, a Chinese electronics company, Haitong Securities donated RMB600,000 worth of multimedia machines to 30 kindergartens in the counties of Yecheng, Yarkand and Bachu in Kashgar, Xinjiang; in the "Haitong & Love Health" Water Purification and Warmth Charity Program, the Company installed 45 water purifiers and heaters for 27 schools in Xichou County, Yunnan, allowing local teachers and students to have better access to clear and heated water.

charity financial quotient lessons, "Little Starfish Meets Rainbow", to more than 37.000 teenage students in 50 schools in 30 provinces, municipalities and autonomous regions across the country, guiding the teenagers in poverty-stricken areas towards correct concepts of financial management and



### Love in Haitong · Walk with Hope

In 2021, the Company organized volunteers to pay intensive visits to 100 paired teenagers, offering them the carefully prepared school supplies, anti-pandemic goods, New Year gifts, cooling gifts, summer quilts, as well as the warmest and sincerest greetings and blessings.

### Love in Haitong · Student Aid

### Haitong · Love Reading

In 2021, the Company launched the third season of "Haitong · Love Reading" in Gongyi, Henan Province, presenting 62 "Haitong Securities · Little Pomegranate Bookstores" with nearly 80,000 books and 5,000 carefully prepared blind boxes to the children in the border areas in Xinjiang and Tibet, and the flood-stricken areas in Henan.

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# Involving employees in volunteer activities

Based on the program of "Serving the Masses" in the learning and education of Party history, the Company formulated a list of three key development projects and a list of 14 key livelihood projects. Around the theme of "Volunteer Services for the Celebration of the 100<sup>th</sup> Anniversary of the Founding of the Party", the Company launched initiatives through its Party and League organizations and labour unions and recruited more than 2,700 volunteers for "Love in Haitong" programs. The Company carried out 274 volunteer activities, involving 7,800 person-time for more than 80,000 people.

## "Make People's Wishes Come True" Charity Volunteer Activities Carried out to Support Rural Revitalization

To consolidate and expand the results of poverty alleviation and support rural revitalization, the Company carried out "Make People's Wishes Come True" charity volunteer activities for the urban people in difficulties. The Company organized 100 of its Shanghai-based Party organizations to work with the Party Building Service Centre of Huangpu District to help 100 impoverished people realize their small dreams, overcome difficulties and live a better life.

In an active response to the call, all branches carried out synchronous activities for the vulnerable groups or assistance targets in local communities. The Party Committee of Anhui Branch set up the student aid fund, "Love in Haitong · Make Students' Wishes Come True", donating to 12 poor and disabled students in Shucheng Vocational School for them to realize their small wishes: The General Party Branch of Guanoxi Branch donated RMB23,000 to help Shuiyueyan Junior High School in Caiwan Town, Quanzhou County, Guilin City, Guangxi Province to purchase a batch of stadium lighting equipment. Moreover, the General Party Branch launched a competition of selling donated products and a charitable donation event with the theme of "Love in Haitong · Light Up Dreams". The competition bonuses and charitable donations were all used to purchase sports equipment for the students.



In 2021, Haitong Securities won the Nomination Award for the 10th "Charity Star" of Shanghai.

"Haitong · Love Reading" Mandarin Promotion Project Supports the Revitalization of Rural Culture

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In recent years, guided by the "Love in Haitong" Party building & public welfare brand, Haitong Securities has cooperated with the "Pomegranate Seed Plan" initiated by Hai Xia, a member of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) and a news anchor of China Central Television (CCTV), to launch "Haitong · Love Reading", a program aimed to promote Mandarin and support rural revitalization. During the targeted poverty alleviation efforts in the frontier, the Company provided not only financial assistance based on its industry and professional advantages but also sound "language assistance". as the promotion of Mandarin in frontier ethnic and rural areas would lay a solid cultural foundation for local development.

In 2021, the "Haitong · Love Reading" program provided 62 "Haitong Securities · Little Pomegranate Bookstores" with nearly 80,000 books and 5,000 carefully prepared blind boxes to the children in the border areas in Xinjiang and Tibet, and the flood-stricken areas in Henan. The Little Pomegranate Bookstores were equipped with nearly 1,000 books of all varieties, including excellent traditional Chinese culture, Mandarin promotion, safety education, and popular science knowledge, giving local children the access to learning language and traditional Chinese cultural knowledge.



In 2021, the "Haitong · Love Reading" program provided 62 "Haitong Securities · Little Pomegranate Bookstores" with nearly 80.000 books and 5.000 carefully prepared blind boxes to the children in the border areas in Xinjiang and Tibet, and the flood-stricken areas in Henan



Scenes of "Haitong · Love Reading" activities in 2021

ESG Management and Performance



more than 2,700volunteers for "Love in Haitong" programs



involving 7.800 person-time



The Company carried out 274 volunteer activities



helped more than

80.000 people



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# **ESG Management and Performance**

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# Economic performance

### Main Business Contribution

Indicator	Unit	2019	2020	2021
Revenue	RMB10,000	3,486,032.00	3,821,982.83	4,320,546.74
Profit before tax	RMB10,000	1,387,192.10	1,575,730.96	1,854,379.88
Total tax payment	RMB10,000	536,074.71	625,088.16	789,252.51
Total assets	RMB10,000	63,679,363.16	69,407,335.07	74,492,514.94
Basic earnings per share	RMB	0.83	0.90	0.98
Social contribution value per share (SCVPS) <sup>1</sup>	RMB	2.96	2.96	3.03

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

# **Environmental management**

The Company advocates a green and low-carbon work style. In compliance with such laws and regulations as the *Law on Energy Conservation of the People's Republic of China* and the *Law on Environmental Protection of the People's Republic of China*, it has encouraged employees to integrate the concept of energy conservation and environment protection into their work and life. In 2021, the Company found no confirmed environmental violations with a significant impact on the Company.

### Energy consumption and carbon emissions

The main energy sources used in the ordinary course of business of the Company include outsourced electric power, natural gas and gasoline consumed by business vehicles. In 2021, the Company made great efforts to promote the energy saving and emission reduction measures and practiced the environmental protection concept with practical actions.

### GHG Emissions and Energy Efficiency Indicators

Indicator	Unit	2019	2020	2021
GHG emissions	Ton of CO <sub>2</sub> equivalent	10,322.12	11,967.41	41,397.26
Scope 1 GHG emissions	Ton of CO <sub>2</sub> equivalent	858.45	811.74	3,090.91
Scope 2 GHG emissions	Ton of CO <sub>2</sub> equivalent	7,732.91	8,905.83	24,714.90
Scope 3 GHG emissions	Ton of CO <sub>2</sub> equivalent	1,730.76	2,249.84	13,591.45
GHG emissions per unit area (Scope 1 and Scope 2)	Ton of CO <sub>2</sub> equivalent/ m <sup>2</sup>	0.10	0.10	0.09

Indicator	Unit	2019	2020	2021
Total power consumption	kWh	10,992,063	10,839,657	42,538,554
Power consumption per unit area	kWh/m²	122.43	111.57	140.17
Total natural gas consumption	m³	112,802	84,544	132,603
Natural gas consumption per unit area	m <sup>3</sup> /m <sup>2</sup>	2.64	1.97	1.56
Total gas consumption of the Company's own vehicles	Liter	226,837.27	232,179.07	1,035,447.74
Energy consumption of Data Centres in the Headquarters of Haitong Securities	kWh	7,658,432	8,826,320	15,925,166
Total energy consumption of the Company's own data centres	kWh	4,670,300	4,913,244	11,814,382
Energy consumption of the Guangdong Road Computer Room in the Headquarters of Haitong Securities	kWh	4,670,300	4,913,244	4,857,142
Energy consumption of the Zhangjiang Hi-tech Park Data Centre	kWh			6,957,240
Total energy consumption of rented data centres	kWh	2,988,132	3,913,076	4,110,784
Energy consumption of the Remote Disaster Recovery Computer Room in SZSE Southern Centre	kWh	2,105,370	2,851,549	3,059,431
Energy consumption of the Computer Room in SSE Waigaoqiao Satellite Earth Station	kWh	882,762	1,061,527	970,000
Energy consumption of SSE Jinqiao Computer Room	kWh			81,353

Note 1: In 2019 and 2020, the data on power consumption and gas consumption of the Company's own vehicles cover the headquarters, branches and data centers of Haitong Securities and the headquarters of Haitong International, Haitong Capital, Haitong Futures, Haitong-Fortis PE, HFT Investment, HT Asset Management and Haitong Innovation Securities. The data on other indicators cover the headquarters of Haitong Securities. In 2021, the Company expands the range of environmental data statistics. Power consumption, gas consumption of the Company's own vehicles in 2021 cover the headquarters, branches, business department and data centers of Haitong Securities, the headquarters and consolidated subsidiaries of Haitong International, the headquarters and consolidated subsidiaries of Haitong Futures, Haitong-Fortis PE, HFT Investment Management, HT Asset and Haitong Innovation Securities. The rest data cover the headquarters of Haitong Securities.

Note 2: Scope 1 GHG emissions are direct GHG emissions from natural gas consumption and gas consumption of the Company's own vehicles, which are calculated with reference to the *How to prepare an ESG Report Appendix 2: Reporting Guidance on Environmental KPIs Introduction* (May 2021) published by HKEX and the *GHG Accounting Tool for Chinese Cities 2.0* published by the World Resources Institute; Scope 2 GHG emissions include indirect GHG emissions from outsourced power. Specifically, the GHG emissions in 2019 and 2020 are calculated based on the 2012 data in the *Average Carbon Dioxide Emission Factors of China's Regional Power Grid in 2011 and 2012* issued by the National Development and Reform Commission and the GHG emissions in 2021 are calculated based on the 2021 data in the *Guidance on Accounting and Reporting of GHG Emissions from Enterprises-Power Generation Facilities (Revised in 2022)* issued by the Ministry of Ecology and Environment. The Scope 3 GHG emissions are estimated according to the calculation tool for Scope 3 described in *Greenhouse Gas Protocol.* Scope 3 GHG emissions in 2019 and 2020 were indirect GHG emissions generated from the outsourced power from the rented data centres of the Headquarters of Haitong Securities, and Scope 3 GHG emissions in 2021 add GHG emissions generated from the travel of employees of the Headquarters of Haitong Securities.

Note 3: In 2021, the total power consumption and power consumption per unit area of the Headquarters of Haitong Securities increasing is a result of the addition of the office building of Zhangjiang Sci-tech Park and Zhangjiang Data Centre.

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## Water resource management

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

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

## Water Resource Management Goal

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To further strengthen the management on water consumption, the Company comprehensively analysed its water consumption per unit area from 2018 to 2020 and the water consumption per unit area publicly disclosed by financial companies, considered its expected growth in personnel and business during the "14th Five-Year Plan" period, and finally set a quantitative target to reduce water consumption per unit area by 38.64% by 2025 on the basis of the 2020 figure.

Trends of Water Consumption Per Unit Area of Haitong Securities (m<sup>3</sup>/m<sup>2</sup>)



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

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

Indicator	Unit	2019	2020	2021
Total water consumption	Ton	40,496.47	40,496.47	147,555.32
Water consumption per unit area	Ton/m <sup>2</sup>	0.45	0.45	0.49

Note 1: In 2019 and 2020, the data covers the headquarters and branches of Haitong Securities and the headquarters of the subsidiaries, including Haitong International, Haitong Capital, Haitong Futures, Haitong-Fortis PE, HFT Investment, HT Asset Management and Haitong Innovation Securities. The Company has expanded the statistics scope of environmental data of 2021. In 2021, the data covers the headquarters, branches and business departments of Haitong Securities, the headquarters and consolidated subsidiaries of Haitong International, the headquarters and subsidiaries of Haitong UniTrust, and the headquarters and branches of Haitong Capital, Haitong Futures, Haitong-Fortis PE, HFT Investment Management, HT Asset and Haitong Innovation Securities.

Note 2: The headquarters of Haitong Securities newly launched its office building in Zhangjiang Sci-tech Park. The high water consumption from the large central air-conditioning cooling towers in the Park caused the increase in water consumption per unit area.



# Waste management

Main solid wastes generated by Haitong Securities are divided between harmless wastes (e.g. kitchen wastes, office papers, parcel delivery cartons and glass) and hazardous wastes (e.g. e-garbage and toner cartridges). The Company has taken active and intensive measures such as posting posters to promote the "Clear Your Plate" campaign to reduce the generation of kitchen waste. At the same time, by introducing OA office systems and financial document review systems, the Company has reduced office paper use and waste.

In terms of waste treatment, the Company has sorted solid wastes in accordance with the Shanghai Regulations on Domestic Waste Management. Office and domestic wastes were collected and removed by the property management function of the Company. For e-waste such as old computers, printers, servers and exchangers, the Company has designated their storage locations and regularly had them disposed of by qualified firms.

In terms of waste management goals, the Company will gradually improve the identification and statistics of waste sources, and maintain the generation of hazardous waste and non-hazardous waste per unit area at a low level.

Indicator	Unit	2019	2020	2021
Number of paperless office operations	Time	189,930	245,945	200,966
Number of sheets saved by paperless office <sup>2</sup>	Sheet	949,650	1,229,725	1,004,830
Quantity of electronic wastes <sup>3</sup>	Piece	659	915	625

Note 1: The data on paperless office operations and the quantity of electronic wastes covers the headquarters of Haitong Securities. Note 2: The number of sheets saved by paperless office only includes those saved by the OA system. Note 3: The Company has not yet made statistics on harmless wastes.

# Employee equality and diversify

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

The Company has implemented the international talent development strategy. It has actively introduced returning overseas talents, and dispatched selected talents to overseas subsidiaries based on their needs, thus enhancing the diversity of employee backgrounds.

The Company manages employees' human rights protection, wages and benefits, working hours, leaves and democratic participation properly in accordance with relevant in-house policies and rules, including the Employee Handbook, the Provisions on Employees' Annual Leave Management, the Management Measures for Compensation of Haitong Securities Co., Ltd. (Trial) and the Collective Contract on Special Interests Protection of Female Employees of Haitong Securities Co., Ltd. In 2021, the Company used no child labour or forced labour.

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

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### Protection of human rights

- · Checking labour intensity regularly and prohibiting forced labour
- Verifying employee identity strictly to ensure no use of child labour
- Setting out dismissal terms and conditions and establishing lawful dismissal procedures

and benefits	
<ul> <li>Market-based level of remuneration, performance- linked pay</li> </ul>	
• Full and timely contribution to social security programs and housing provident funds	
Providing supplementary medical insurance, housing allowances, corporate annuity plans and other	

additional benefits

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and leaves						
• Sta	andard working hours	s:				

- 40 hours/week Special working hours
- system for special work types • Public holidays, annual leave, sick leave, marriage leave, maternity leave, etc.



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

# Employment Performance Indicators

	Indicator	Unit	2019	2020	2021
	Number	Person	5,718	5,910	6,146
Du gender	Male	Person	3,235	3,371	3,496
By gender	Female	Person	2,483	2,539	2,650
	Full-time labour contractual employees	Person	5,718	5,910	6,146
By employment type	Full-time external contractual employees	Person	0	0	0
	Part-time employees	Person	0	0	0
	> 50 years old	Person	440	495	576
By age group	30 to 50 years old	Person	3,727	3,920	4,070
	< 30 years old	old         Person         1,551           nd         Person         5,713	1,495	1,500	
By geographic	The mainland	Person	5,713	5,904	6,146
region	Overseas (including Hong Kong, Macao and Taiwan of China)	Person	5	6	0
	Employee turnover rate <sup>2</sup>	%	5.10	5.47	6.54
Durandan	Male	%	3.30	6.44	7.78
By gender	Female	%	1.80	4.17	4.91
	> 50 years old	%	0.05	0.81	1.04
By age group	30 to 50 years old	%	2.60	4.59	6.09
	< 30 years old	Person         2,483         2,539         2,650           Person         5,718         5,910         6,146           Person         0         0         0           Person         3,727         3,920         4,070           Person         1,551         1,495         1,500           Person         5,713         5,904         6,146           n of         Person         5,713         5,904         6,146           n of         Person         5,10         5.47         6.54           %         3.30         6.44         7.78           %         1.80         4.17         4.91           %         0.05         0.81         1.04			
By geographic	The mainland	%	5.07	5.47	6.54
region	Overseas (including Hong Kong, Macao and Taiwan)	%	0.03	0	0

Note 1: The data covers the Parent Company.

Note 2: The formula for employee turnover rate in 2019 was: turnover rate of a category of employees = number of this category of employees leaving the Company during the year / total number of employees at the end of the year; according to How to Prepare an ESG Report? Appendix 2: Reporting Guidance on Environmental KPIs issued by the SEHK, the formula for employee turnover rate in 2020 and 2021 was changed to: the turnover rate of a category of employees = number of this category of employees leaving the Company during the year / number of this category of employees at the end of the year.

# Employee training and development

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The Company has formulated the Management Measures of Haitong Securities Co., Ltd. for Training Work and relevant detailed implementing rules. It carries out specific work in terms of policy improvement, curriculum system building, trainer training, online learning platform building, training program implementation and learning activity, in a bid to constantly meet the employees' training and development needs and beef up their growth together with the Company.

I	ndicator	Unit	2019	2020	2021
Number of employees trained		Person-times	263,074	360,000	350,000
Employee training	expenditure	RMB10,000	1,254.18	635.00	780.00
Coverage of	employee training <sup>2</sup>	%	100	100	100
Durandan	Female	%	100	42.96	43.12
By gender	Male	%	100	57.04	56.88
	Senior management	%	100	0.24	0.24
By employee category	Medium management	%	100	12.67	12.37
	Ordinary employees	%	100	87.09	87.39
Training ho	ours per employee <sup>3</sup>	Hours	25.00	33.67	33.22
Du sandar	Female	Hours	25.00	33.70	33.21
By gender	Male	Hours	25.00	33.65	33.23
By employee category	Senior management	Hours	25.00	32.71	30.87
	Medium management	Hours	25.00	34.54	34.18
	Ordinary employees	Hours	25.00	33.67	32.68

Note 1: The data covers the Parent Company.

Note 2: In 2019, training coverage of a category of employees = number of employees in this category trained / number of employees in this category. In 2020 and 2021, according to How to Prepare an ESG Report? Appendix 3: Reporting Guidance on Social KPIs issued by the SEHK, the calculation method was changed to: Training coverage of a category of employees = number of employees in this category trained / total number of employees trained.

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

# Employee health and safety

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

In 2021, the Company found no violations related to employees' occupational health and safety.

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

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

Indicator	Unit	2019	2020	2021
Employee health checkup rate	%	90	100	100
Work-related deaths	Person	0	0	0
Days lost due to work-related injuries2	days	281	0	0
Incidence of occupational diseases among employees	%	0	0	0

Note 1: The data covers the Parent Company.

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

# Intellectual property management

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

### Policies and Measures of Intellectual Property Protection in 2021

Measures of Haitong Securities Co., Ltd. for Technology Intellectual Property (for Trial Implementation) in 2021. in an orderly manner.

• Continuously strengthened the publicity of intellectual property protection and software legalization, and carry out group-wide special training and publicity.

• While steadily improving the autonomy and controllability of IT infrastructure, focused on developing the autonomy and ability of application systems; worked actively in copyright and patent applications, with a total of 15 software copyrights and eight patents licensed in 2021.

# Supplier management

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

During the formulation, implementation, and result evaluation of procurement plans, the General Manager's Office of the Company focuses on the performance of suppliers' fulfilment of social responsibilities in environmental protection, safe construction, labour management, etc. For example, in an infrastructure construction project, the suppliers are required to strictly abide by and implement the national and local laws, regulations and policies on safety construction, environmental protection, labour management, etc., and those suppliers with the records of relevant major violations or major bad behaviours are prohibited from the access. During the setting of the qualification requirements and comprehensive scoring standards for suppliers of specific bidding projects and the follow-up assessment for these suppliers, the Company pays continuous attention to whether the suppliers have sound internal governance systems, ISO quality management systems, environmental management system certifications, green environmental protection certifications, etc., and sets various assessment criteria and indicators to guide and encourage suppliers to better fulfil their social responsibilities.

In addition, the Company has formulated the Administrative Measures of Haitong Securities Co., Ltd. for Integrity in Practice, the Code of Integrity and Self-discipline for Infrastructure Workers of Haitong Securities Co., Ltd. and other systems. These documents specify that employees participating in bidding activities must strictly abide by the regulations on integrity in practice and bidding discipline, and sign relevant commitments. At the same time, the Company requires that the external suppliers in the procurement should provide documents to prove that they have no records of bribery crimes or other major violations of laws, and sign corresponding commitments and agreements as well. The Company continues to monitor these external suppliers' performance of their commitments to integrity in practice. In addition, the Company uses internal and external authoritative tools to continuously review the qualifications of the suppliers. Once a supplier is found and confirmed to have seriously violated laws or maliciously rigged the bids, the supplier will be rejected to participate in the Company's procurement activities. In this way, the Company maintains a good environment for standardized, orderly and honest bidding.

# Products and services

In 2021, in accordance with the Guidelines for Handling Complaints from Investors in Securities Fund and Futures Operators (For Trial Implementation) and other documents, the Company revised the Administrative Measures for Customer Complaints of Haitong Securities Co., Ltd. to further improve the customer service management system.

The Retail and Internet Finance Department provides customers with 7\*24 hours of customer consultation (including intelligent customer services) and complaint services through communication channels such as the national unified customer service hotline 95553, intelligent customer services, the Company's official website and WeChat official account, and e-HaitongCai APP. Aiming to improve customer satisfaction, the Company regulates the acceptance, handling and feedback of complaints as well as callbacks, and clarifies the division of responsibilities between institutions. In this way, the Company ensures its customer service quality and efficiency and safeguards the rights and interests of its customers.

### Customer Service Performance Indicators

Indio	cator	Unit	2019	2020	2021
Number of	By telephone	Piece	467,343	564,039	475,897
customer	Online inquiries <sup>1</sup>	Piece	256,001	422,447	312,711
inquiries	Smart service <sup>2</sup>	Piece	1,745,819	2,812,413	2,153,408
Of which: number of complaints		Piece	191	175	152
Ratio of complaints solved <sup>3</sup>		%	100	100	100
Number of	By telephone <sup>1</sup>	Time	54,263	68,489	58,265
customer satisfaction surveys	Online <sup>1</sup>	Time	97,708	133,454	78,482
Customer	By telephone	%	99.83	99.83	99.08
satisfaction	Online	%	99.97	99.98	99.97

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

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

# Responsible marketing

The Company sells financial products in accordance with the Regulations on the Supervision and Administration of Securities Companies, the Provisions on Agency Distribution of Financial Products by Securities Companies and the Code of Self-discipline for Practitioners in the Fund Industry, ensuring customers' access to true and complete product information and adequate protection of investors. The Company also has strengthened the management and audit of advertising pursuant to China's Advertising Law and requirements of competent regulatory authorities. In 2021, no violations of product and service information and labelling or violations of marketing and promotion regulations were found in the Company.

# Community investment

Indicator	Unit	2019	2020	2021
Number of Participants in volunteer services	Person-time	552	800	7,800
Number of volunteer service hours	Hour	1,036	800	9,800
Total spending on rural revitalization (former targeted poverty alleviation)	RMB10,000	2,229.51	3,183.90	3,137.30

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

### **Charity Performance Indicators**

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# About the Report

This is the 12<sup>th</sup> CSR Report issued by Haitong Securities Co., Ltd., aiming to disclose the Company's economic, social and environmental initiatives and accomplishments to the stakeholders.

# Scope of Report

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

Time span: January 1, 2021 to December 31, 2021

Frequency of issuance: The Report is issued annually.

# **Data Description**

The data and cases in the Report are sourced from the original records or financial reports on the actual operation of Haitong Securities and its subsidiaries. The financial figures are denominated in RMB. In case of any discrepancy between the Report and the financial reports, the latter shall prevail.

# **Basis of Preparation**

The Report is prepared based on the *Guideline No.1* on the Application of Self-Regulatory Rules for Listed Companies of Shanghai Stock Exchange – Regulated Operation and the Environmental, Social and Governance Reporting Guide (Effective from January 1, 2022) issued by Hong Kong Stock Exchange. Meanwhile, this Report has quoted some standards from the Standards for the Contents and Formats of Information Disclosure by Companies Offering Securities to the Public No. 2—Contents and Formats of Annual Reports (2021 Revision) issued by the CSRC and the Sustainability Reporting Standards (2016) issued by the Global Reporting Initiative (GRI).

# **Reporting principles**

The Report is prepared in accordance with the reporting principles of the *Environmental, Social and Governance Reporting Guide* issued by the Hong Kong Stock Exchange, with details specified as follows:

Materiality: The Report determines the main topics to be addressed through the identification, communication and analysis processes of materiality analysis.

**Quantization:** The Report discloses key quantitative performance indicators (see "ESG Management and Performance" for details), and explains the meaning of these indicators and their calculation bases and formulas.

Balance: The Report discloses all indicators, with either positive or negative information, to reflect objective facts.

**Consistency**: This Reports specifies the statistical methods and scope of the disclosed key quantitative performance indicators, and tries the best to ensure the consistency of the indicators and calculation methods in different reporting periods, in a bid to reflect the changes in performance.

# **Publication Format**

The Report is available in the format of PDF at:

http://www.sse.com.cn

http://www.hkexnews.hk

http://www.htsec.com

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Definitions of common terms				
"Company" " Haitong Securities" or "Parent Company"	$\rightarrow$	Haitong Securities Co., Ltd.		
"Group"	$\rightarrow$	The Company and its subsidiaries		
"CSRC"	$\rightarrow$	The China Securities Regulatory Commission		
"SSE"	$\rightarrow$	Shanghai Stock Exchange		
"SZSE"	$\rightarrow$	Shenzhen Stock Exchange		
"BSE"	$\rightarrow$	Beijing Stock Exchange		
"SEHK"	$\rightarrow$	Stock Exchange of Hong Kong Limited		
"Hong Kong Listing Rules"	$\rightarrow$	The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kor Limited		
"A Share(s)"	$\rightarrow$	Domestic shares of the Company, with a nominal value of RMB1.00 each, which a listed and traded on the Shanghai Stock Exchange		
"H Share(s)"	$\rightarrow$	Ordinary shares of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in HK dollars and are listed on the Hong Kong Stock Exchange		
"IPO"	$\rightarrow$	Initial Public Offerings		
"ETF"	$\rightarrow$	exchange traded fund		
"NEEQ"	$\rightarrow$	National Equities Exchange and Quotations ( 全國中小企業股份轉讓系統 )		
"Reporting Period"	$\rightarrow$	January 1, 2021 to December 31, 2021		
"Haitong Bank"	$\rightarrow$	Haitong Bank, S.A		
"Haitong Capital"	$\rightarrow$	Haitong Capital Co., Ltd. ( 海通開元投資 )		
"Haitong Futures"	$\rightarrow$	Haitong Futures Co., Ltd.(海通期貨股份有限公司)		
"Haitong Innovation Securities"	$\rightarrow$	Haitong Innovation Securities Investment Co., Ltd.(海通創新證券投資有限公司)		
"Haitong International Holdings"	$\rightarrow$	Haitong International Holdings Limited(海通國際控股有限公司)		
"Haitong International" or "Haitong International Securities"	$\rightarrow$	Haitong International Securities Group Limited ( 海通國際證券集團有限公司 ), liste on the Hong Kong Stock Exchange, stock code: 665		
"Haitong UniTrust"	$\rightarrow$	Haitong UniTrust International Leasing Co., Ltd. ( 海通恒信國際租賃股份有限公司 listed on the Hong Kong Stock Exchange, stock code: 1905		
"Haitong-Fortis PE"	$\rightarrow$	Haitong-Fortis Private Equity Fund Management Co., Ltd. ( 海富產業投資基金管理 限公司 )		
"HFT Investment"	$\rightarrow$	HFT Investment Management Co., Ltd. (海富通基金管理有限公司)		
"HT Asset Management"	$\rightarrow$	Shanghai Haitong Securities Asset Management Co., Ltd. ( 上海海通證券資產管理 限公司 )		
"Shanghai Weitai Propertie"	$\rightarrow$	Shanghai Weitai Properties Management Co., Ltd.(上海惟泰置業管理有限公司)		
"Shanghai Zechun"	$\rightarrow$	Shanghai Zechun Investment & Development Co. Ltd. (上海澤春投資發展有限公司		



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