

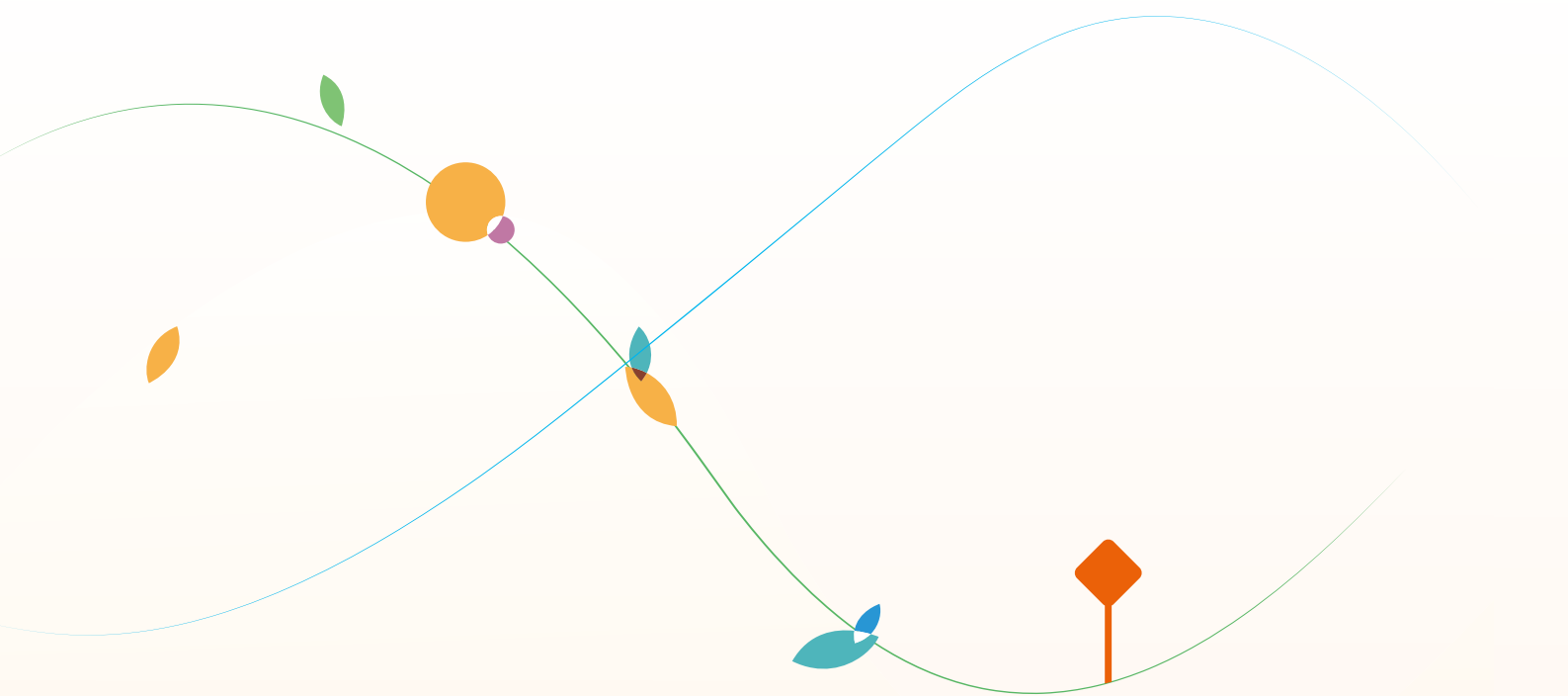


(A joint stock company incorporated in the People's Republic of China with limited liability under the Chinese corporate name 华泰证券股份有限公司 and carrying on business in Hong Kong as HTSC)

# 2022 CSR

HUATAI SECURITIES  
SOCIAL RESPONSIBILITY REPORT





The background features two large, sweeping curved lines, one in orange and one in light blue, that frame the central text. Scattered around these lines are several stylized leaf shapes in green, orange, blue, and teal.

## HUATAI SECURITIES

Striving to Become a First-Class Integrated Investment Bank  
with both Domestic Advantages and Global Influence



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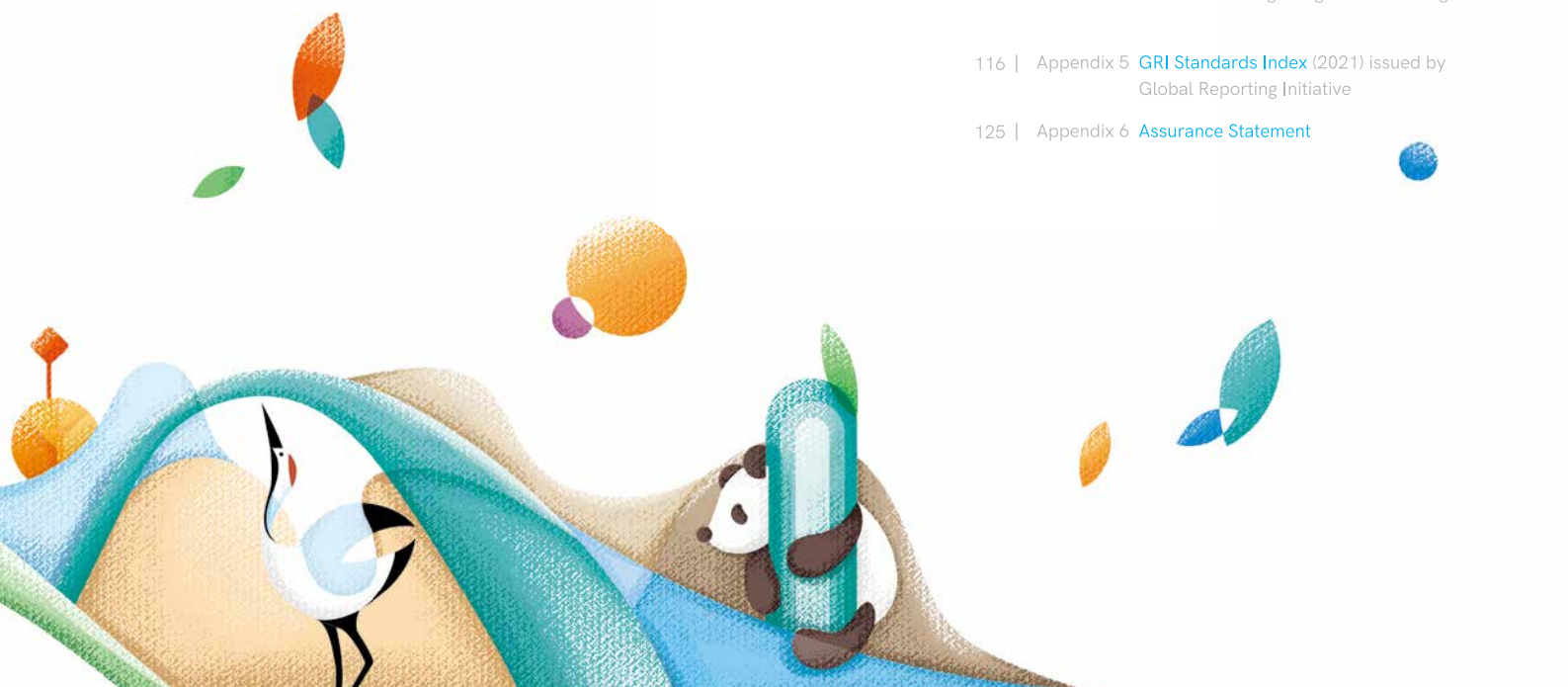


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## About This Report

This report is the Social Responsibility Report issued by Huatai Securities Co., Ltd. ("Huatai Securities", the "Group" or the "Company"), aiming to disclose to all stakeholders the Company's environmental, social and corporate governance initiatives and accomplishments.

### Scope

**Organization Scope:** The scope of this report is consistent with that of the Company's annual consolidated financial statements.

**Reporting Period:** from January 1, 2022 to December 31, 2022.

**Reporting Cycle:** Annual. The last report is 2021 CSR report.

### Basis

The preparation of this report is in accordance with the Contents and Formats of Information Disclosure by Companies Offering Securities to the Public No. 2 – Contents and Formats of Annual Report (Revised in 2021) (《公開發行證券的公司信息披露內容與格式準則第2號——年度報告的內容與格式(2021年修訂)》) (Chapter 5 Environment and Social Responsibility) issued by China Securities Regulatory Commission, the Guidelines of Self-regulation of Listed Companies No. 1 – Standard Operation by Listed Companies issued by the Shanghai Stock Exchange, and the Environmental, Social and Governance Reporting Guide set out in Appendix 27 to the Listing Rules (with effect from January 1, 2022) issued by the Hong Kong Stock Exchange. Meanwhile, this report refers to the Sustainability Reporting Standards (GRI Standards) 2021 issued by the Global Reporting Initiative (GRI).

### Principles

This report is prepared in accordance with the reporting principles under the Environmental, Social and Governance Reporting Guide of the Hong Kong Stock Exchange, which include:

**Materiality principle:** This report identifies material topics to be particularly addressed through materiality analysis, and focuses on reporting the matters related to environmental, social and corporate governance that may be sufficiently important to investors and other stakeholders.

**Quantitative principle:** This report discloses key quantitative performance indicators and explains the meaning of these indicators as well as the calculation basis and assumptions, so as to assess and verify the effectiveness of environmental, social and corporate governance policies and management system.

**Balance principle:** The content of this report provides an unbiased picture of objective facts and discloses all information and performance, whether positive or negative, so as to avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.

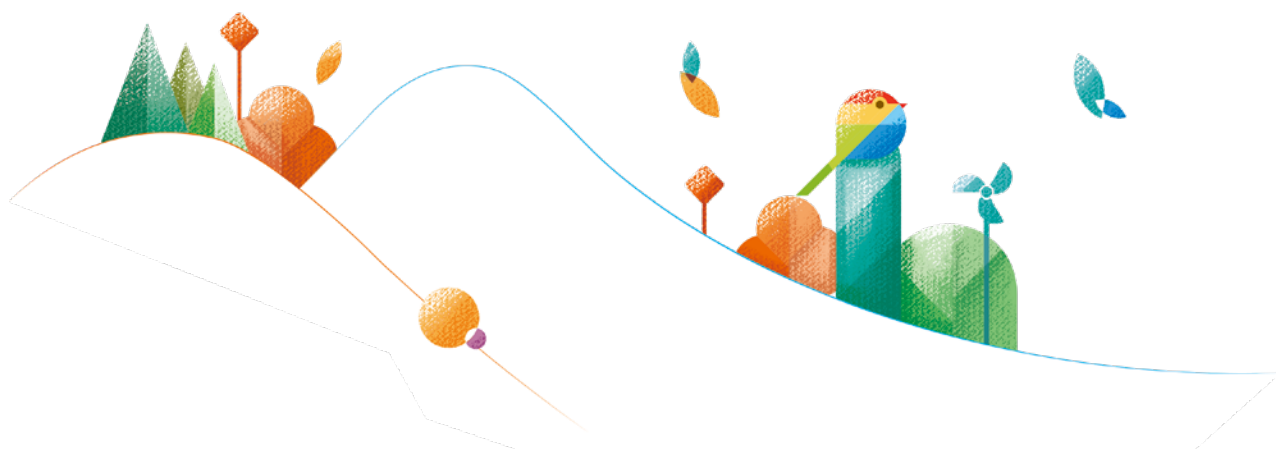
**Consistency principle:** This report clearly states the statistical methodology and caliber of key quantitative ESG performance indicators disclosed herein, while ensuring that the indicators and calculation methods for different reporting periods are consistent as far as possible to reflect the performance trend.

## Data Explanation

The data and cases in the report are from the primary record of operation or financial reports of Huatai Securities and its subsidiaries. Unless otherwise specified, the unit of the financial information in this report is RMB. In case of any inconsistency with financial reports, the financial reports shall prevail.

## Accesses

The electronic version of this report can be found and downloaded at Shanghai Stock Exchange website, HKEX news website, London Stock Exchange website and Huatai Securities Co., Ltd. website.



## Environmental, Social and Corporate Governance (ESG) Statement by the Board

2022 is a key year in which China embarks on its second centenary goal, as well as a year of succession for the “14th Five-Year Plan”. As China marches into a new journey of building a full-fledged modern socialist country, Huatai Securities is committed to implementing the national new development concept by actively carrying out various tasks such as serving the real economy, promoting green ecological development, advancing a high degree of opening-up to the world, improving the well-being of the people and promoting the rural revitalization, thereby sparing no effort to fulfill its corporate responsibility and actively practicing financial services for the people. As a steadfast supporter of the concept of environmental, social and corporate governance (ESG), Huatai Securities attaches great importance to ESG management and actions, and continues to improve ESG governance, thus further contributing to the building of social and ecological civilization.

The Company integrates ESG management with its corporate development strategy and strengthens the ESG governance of the Board of Directors. The Board of Directors of the Company perform full responsibility for decision-making and supervision of ESG matters, and is responsible for reviewing the annual social responsibility report of the Company and ESG-related Board resolutions, and overseeing the execution and implementation of ESG matters. The Company's management is responsible for formulating ESG guidelines and policies, ensuring the soundness and effectiveness of the company's ESG management system, and promoting the implementation of ESG-related work. The Company established an ESG Committee to perform ESG governance-related duties under the authority of the Board and the senior management, including the formulation of ESG strategies and the supervision of its implementation, the identification of ESG opportunities and risks faced by the Company in its development, the evaluation of the importance of ESG-related affairs which will be taken into consideration in business operations. A number of ESG matters and statements were considered and approved at the 2022 ESG Committee meeting, which effectively promoted the improvement and implementation of the Company's ESG work. Meanwhile,

the Company has continued to improve its ESG management approach and strategy, emphasized communication with stakeholders, paid attention to important ESG performance indicators in the environmental, social and governance sectors, and continued to improve ESG management.

### Responding to Cultural Construction

Huatai Securities actively responds to the call and relevant requirements of the CSRC and the Securities Association of China on enhancing Industry cultural construction, by exploring the integration of ESG concept and culture construction, considering ESG as the corporate culture deposit of the Company, injecting responsibility and commitment into the core of corporate culture, advocating the co-construction of business ethics, compliance and risk culture, demonstrating corporate social responsibility in various sectors such as green finance, ecological protection and rural revitalization, so as to continuously promote the cultural guidance of finance for good.

### Serving Real Economy

The Company is committed to supporting the real economy to achieve high-quality development through the capital market, and continues to cultivate key industries representing the direction of modern industrial development, such as medicine and medical care, energy and environmental protection, and advanced manufacturing, among others. By incorporating ESG factors into its business considerations, the Company leverages its financial expertise, uses capital market tools to provide life-cycle services for enterprise development to help enterprises reduce financing costs and enrich financing channels through innovative financing models. In addition, we also empower responsible investment to help the growth of high-quality enterprises.

### Supporting Green Development

The Company actively responds to climate change by incorporating environmental and climate factors into ESG due diligence of customers, and controlling climate risks and reducing corporate carbon footprints by promoting green office



and green operations and others. In addition, the Company is committed to protecting biodiversity and has joined hands with all walks of life to protect the biodiversity of the Yangtze River basin through activities such as the “One Commonwealth Heart of Huatai One Yangtze River” ecological protection public welfare project and the “One Yangtze River” sustainable development forum, thus actively guiding capital for good. At the same time, the Company continues to expand green financial services, actively helping the listing of the enterprises that feature new energy, energy-saving and environmental protection and other green enterprises, and expanding financial services such as green bonds and green asset securitization to support the green transformation of economic development and continue to help achieve the goal of “carbon neutrality”.

#### Promoting a High Level of Opening to the World

The Company has long been committed to enhancing its international development and influence, with the goals of serving domestic customers “going out” and overseas customers “going in”, and fully implementing the domestic and international dual-circle strategy. In 2022, the Company seized the new opportunities brought about by market reform, participated in the interconnection of domestic and foreign capital markets in a comprehensive manner by building on its local strengths and gripping cross-border linkage. Furthermore, the Company cultivated a client-oriented, integrated and platform-based cross-border service ecology by fully utilizing the Group’s experience for listing on A+H+GDR and whole business chain advantages, provided comprehensive and professional financial services for Chinese enterprises to integrate global resources, and rendered a comprehensive support for the construction of a new open capital market.

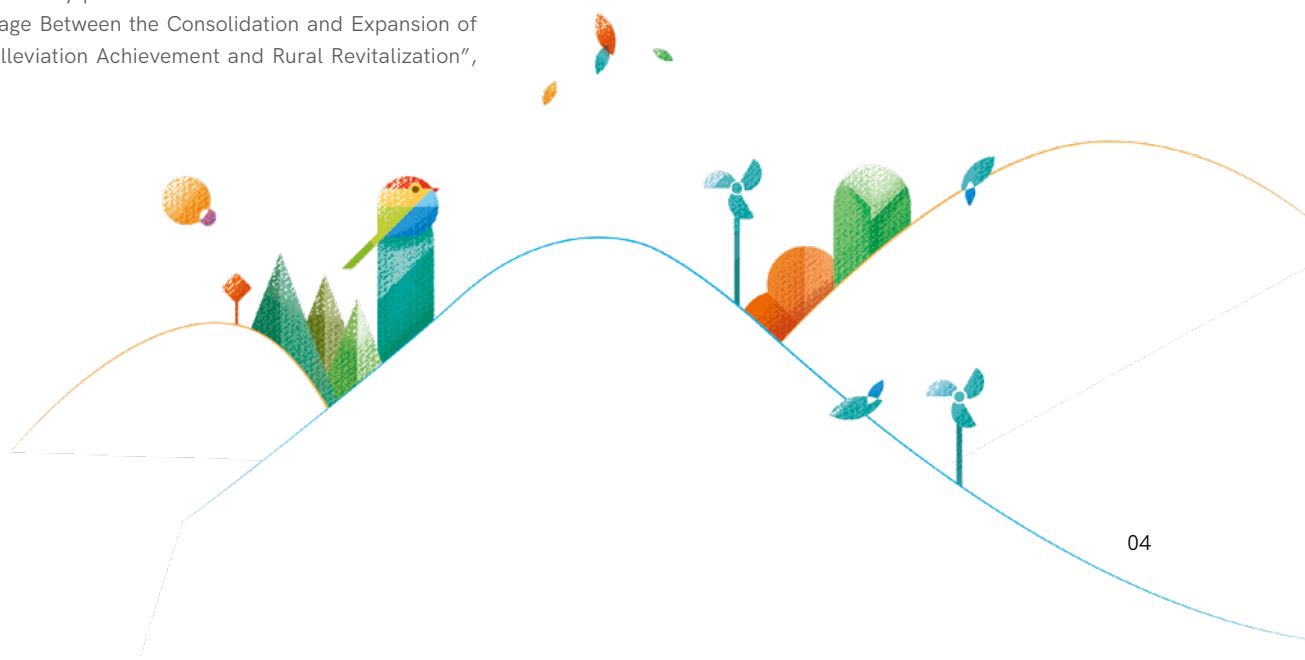
#### Supporting Rural Revitalization

The Company solidly pushes forward the work related to “the Effective Linkage Between the Consolidation and Expansion of the Poverty Alleviation Achievement and Rural Revitalization”,

creates a supporting work model with industry characteristics and outstanding results. The Company also focuses on the joint construction of village enterprises, industrial support, consumption support, public welfare support and others, and incorporates all business lines such as brokerage business, investment banking, capital management, funds into the work of serving rural revitalization from the actual needs of supporting areas. In addition, we integrate our Group’s strengths to provide comprehensive financial services to the areas under its support. By relying on the “One Commonwealth Heart of Huatai” series of projects, the Group continues to invest in rural education and other public welfare sectors to help children achieve healthy growth and promote educational equity.

In 2022, Huatai Securities maintained its MSCI ESG rating of A for two consecutive years, the highest in the domestic securities industry. The Company made a voluntary non-state commitment with the theme of “One Yangtze River One World” at the 15th meeting of the UN Conference of the Parties to the Convention on Biological Diversity (CBD COP15) which has been officially recorded in the CBD Action Agenda database, making it the first financial enterprise in China to make a voluntary commitment, fully demonstrating the Company’s responsibility and commitment to contribute to the construction of ecological civilization. In the future, the Company will steadfastly implement the ESG concept by continuing to support the healthy development of the economy and society, actively promoting the deep integration of the Company’s development with the real economy, green finance, rural revitalization and social welfare, carrying out the national strategy of high-quality development with a pioneering attitude, and fully supporting the aspiration of the people for a better life.

March 2023



## About Huatai Securities

### » Company Profile

The Group is a leading technology-driven securities group in China, with a highly collaborative business model, a cutting-edge digital platform and an extensive and engaging customer base. Our principal businesses comprise wealth management business, institutional services business, investment management business and international business. The Group constructs a client-based organizational mechanism, provides comprehensive securities and financial services for individual and institutional clients through an organic online-offline synergy, and aims to become a leading investment bank with strong domestic advantages and global influence.

### » Basic Information of the Company

Chinese name	华泰证券股份有限公司
English name	HUATAI SECURITIES CO., LTD.
Principal businesses	Wealth management business, institutional services business, investment management business and international business
Major subsidiaries	Huatai Asset Management, Huatai International, Huatai Purple Gold Investment, Huatai Innovative Investment, Huatai United Securities, Huatai Futures and Jiangsu Equity Exchange
Domestic branches	243 securities branches and 28 branches in total
Overseas operating entities	Huatai International and its affiliate Huatai Financial Holdings (Hong Kong), AssetMark, Huatai Securities (USA) with the business covering various countries and regions including Hong Kong, and the United States. In September 2022, Huatai International established a wholly-owned subsidiary in Singapore, and the application for related business licenses is also progressing steadily.
Total assets	RMB 846,567.02 million
Operating income RMB	RMB 32,031.56 million

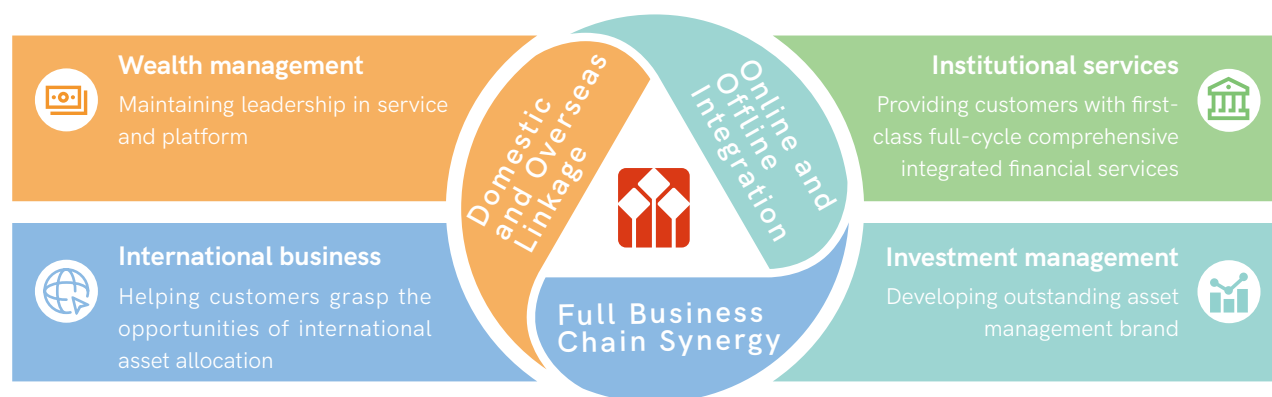
## » Overview of the Company's Shares/Depository Receipts

Type of share/depository receipt	A Share	H Share	GDR
Listing Exchange	Shanghai Stock Exchange	Hong Kong Stock Exchange	London Stock Exchange
Abbreviated name of securities	华泰证券	HTSC	Huatai Securities Co., Ltd.
Stock code	601688	6886	HTSC

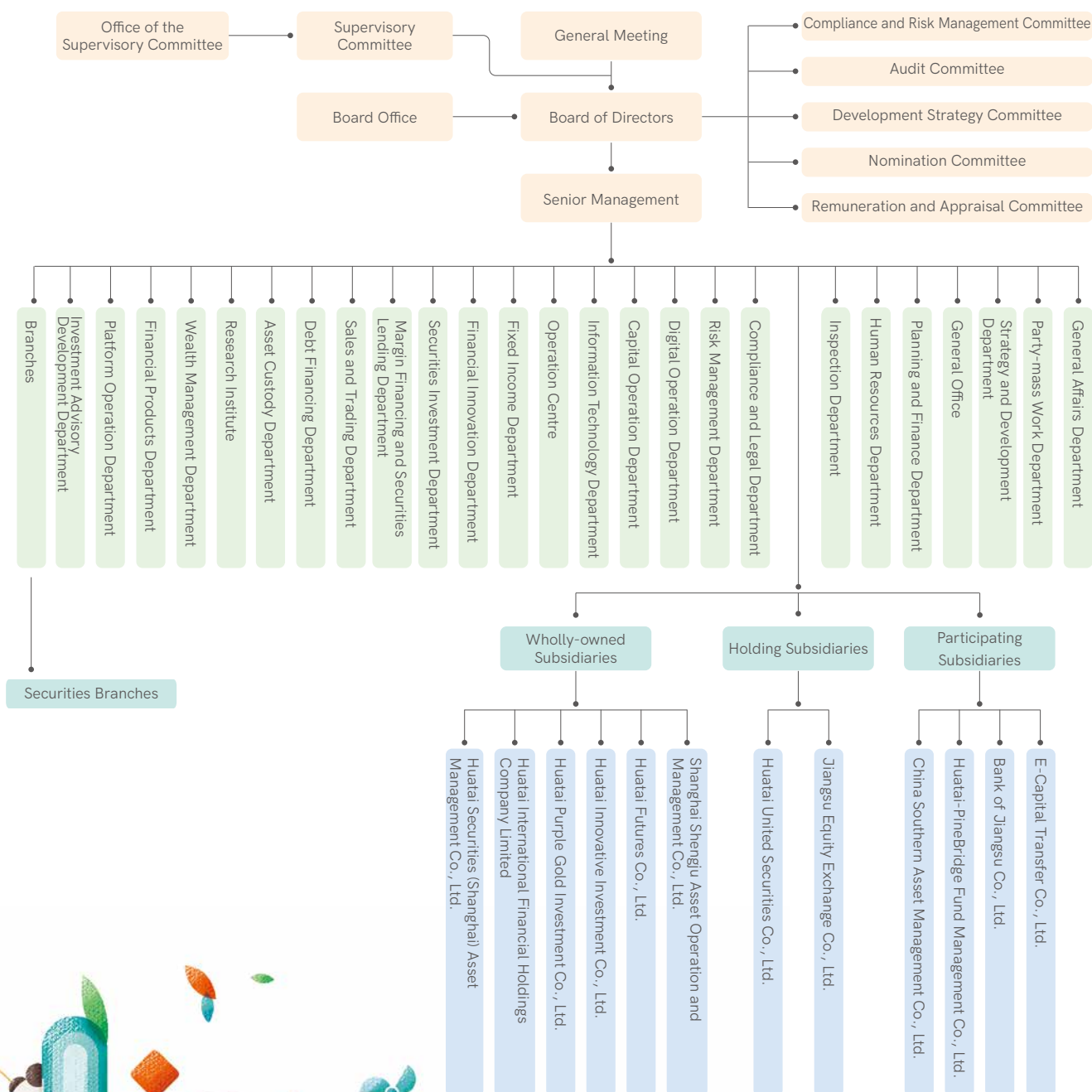
## » Strategic Vision

Huatai Securities will comprehensively implement the “two-pronged” development strategy of wealth management and institutional services under technology empowerment. Relying on the highly collaborative business model, the cutting-edge digital platform and the extensive and engaging customer base, it will promote the all-round development of wealth management business, institutional services business, investment management business and international business, vigorously develop differentiated competitive advantages for the future, and aims to become a first-class investment bank with both domestic advantages and global influence and a financial institution with international competitiveness, brand influence and system importance.

## » Fintech Empowers Four Business Lines



## » Organizational Structure





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

Huatai Securities continued to deeply integrate ESG with the development of the Company and deepened social responsibility management under the guidance of the ESG concept. With reference to United Nations Sustainable Development Goals, the Company carried out actions with the focus on social, economic and environmental as well as other dimensions. By providing professional financial services, improving corporate management and strengthening communications with stakeholders, the company strives to create value for customers, shareholders, employees, society and other stakeholders and struggles towards the beautiful blueprint on the sustainable development of the entire mankind.

United Nations SDGs	Our Actions
 <p><b>1 NO POVERTY</b></p>	<ul style="list-style-type: none"> <li>• Comprehensively promoting the rural revitalization campaign, innovating the financial service model to help the steady development of the agricultural industry</li> <li>• Setting up the “One Commonwealth Heart of Huatai One Tomorrow” project, focusing on left-behind children, and using education as a means to alleviate the inter-generational transfer of poverty via material donations and quality education</li> </ul>
 <p><b>3 GOOD HEALTH AND WELL-BEING</b></p>	<ul style="list-style-type: none"> <li>• Optimizing staff health check-up programs, paying attention to the physical and mental health of employees, launching the “Healthy Mentality in Huatai Securities” Employee Assistance Program (EAP), and promoting and publicizing the 7*24-hour psychological care hotline</li> </ul>
 <p><b>4 QUALITY EDUCATION</b></p>	<ul style="list-style-type: none"> <li>• Continuously optimizing the talent cultivation system based on the whole life cycle of talent growth to meet the development needs of employees at different stages of their career in all aspects</li> <li>• Establishing a full business chain training system for “wealth management, institutional business, technology empowerment and international business”, launching multi-level digital talent training programs, and launching overseas training programs and exchange activities</li> </ul>
 <p><b>5 GENDER EQUALITY</b></p>	<ul style="list-style-type: none"> <li>• Creating equal employment conditions and eliminating gender discrimination in the recruitment process</li> <li>• On the basis of protecting the legitimate rights and interests of female workers, launching activities such as Women’s Day and Women’s Summit and other activities to provide a good working environment for female workers</li> </ul>
 <p><b>7 AFFORDABLE AND CLEAN ENERGY</b></p>	<ul style="list-style-type: none"> <li>• Supporting the listing of new energy enterprises and developing financial services such as green bonds and securitization of green assets, so as to facilitate the green transformation of economic development</li> <li>• Equipping office premises with solar photovoltaic power generation systems, solar hot water systems, sunlight induction lighting systems, ground source heat pump systems, to make full use of renewable energy</li> </ul>

United Nations SDGs	Our Actions
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<ul style="list-style-type: none"> <li>• Implementing the international talent recruitment and training strategy, providing employees with a comprehensive talent training mechanism, scientific career advancement path, sound welfare protection system and reasonable incentive measures</li> <li>• Integrating the entire business chain of research, investment banking, investment and capital management to continuously enhance the comprehensive financial services capability of the entire business chain to facilitate the high-quality development of the real economy</li> </ul>
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<ul style="list-style-type: none"> <li>• Focusing on strategic emerging industries and key sectors of modern industrial development to help upgrade and transform industries</li> <li>• Incorporating ESG factors into the investment and financing business process, practicing the concept of responsible investment and guiding capital for good</li> <li>• Continuously enhancing data security and user privacy protection</li> </ul>
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<ul style="list-style-type: none"> <li>• Issuing the “the Code of Conduct on Suppliers of Huatai Securities Co., Ltd.” and “Statement on Supplier Management Measures” to strengthen supplier management and regulate procurement practices</li> <li>• Establishing a sound internal control system for the management of financial product advertising and marketing, and practicing responsible marketing</li> </ul>
 <p>13 CLIMATE ACTION</p>	<ul style="list-style-type: none"> <li>• Integrating energy saving and emission reduction into the Company’s daily business practices, practicing green operations, advocating green travel for employees, reducing environmental carbon footprints and organizing low-carbon environmental protection activities</li> <li>• Actively addressing climate change, identifying climate risks and opportunities, adopting countermeasures and managing the impact of climate change on the Company</li> </ul>
 <p>15 LIFE ON LAND</p>	<ul style="list-style-type: none"> <li>• Setting up the “One Commonweal Heart of Huatai One Yangtze River” ecological protection public welfare project to protect biodiversity, and joining hands with public welfare organizations, university research institutes and the public to support ecological protection work</li> <li>• Making a “voluntary non-national commitment” with the theme of the “One Yangtze River One World” under the initiative of the 15th meeting of the UN Conference of the Parties to the Convention on Biological Diversity (CBD COP15).</li> </ul>
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<ul style="list-style-type: none"> <li>• Establishing modern corporate organization system and operation mechanism to enhance the efficiency of corporate governance</li> <li>• Improving ESG governance structure and enhancing ESG risk management</li> <li>• Strengthening business ethics, adhering to the bottom line of compliance, deepening risk prevention and control of honesty, and launching anti-corruption training</li> </ul>





## Honors and Recognitions

With its unremitting efforts in corporate social responsibility, responsible investment, sustainable development in 2022, the Company was further recognized by domestic and overseas authoritative agencies and the capital market with increasing influence on sustainable development and continuous improvement in international competitiveness.

### » Awards and Honors

Awarding institution	Corporate performance
Database of United Nations CBD "Action Agenda"	The "Independent Commitments by Non-State Actors" with the theme of "One Yangtze River One World" was officially included in the database of the United Nations CBD "Action Agenda", making it the first financial enterprise with independent commitments in China
Shanghai Stock Exchange	The Company was rated as the highest level A in the 2021-2022 information disclosure evaluation of listed companies organized by the Shanghai Stock Exchange in 2022
China Association for Public Companies	Best Practice of Office of Board of Directors of Public Companies 2022 5A Appraisal on Performance of Secretaries of Board of Directors of Public Companies 2022 Typical Case of Digital Transformation of Public Companies in China
China Securities Journal	Golden Bull Award for Cultural Construction of Securities Companies Golden Bull Award for Social Responsibility of Securities Companies
China.com.cn	ESG Enterprise in 2022
National Business Daily	Outstanding Culture Construction Case in 2022

## » ESG Rating and Recognition

Rating and recognition	Corporate performance
	In 2022, the MSCI ESG rating of the Company maintained A for two consecutive years, representing the highest level in the domestic securities industry and surpassing 72% of its peers globally.
	In 2022, the Sustainalytics risk score of the Company was 27.5, ranking high among its peers in China.
	In 2022, the CDP rating for climate change of the Company stood at B, ranking high among its peers in China.
Standard & Poor's	The Standard & Poor's long-term issuer credit rating of the Company and Huatai International stood at BBB+, the highest rating among domestic securities companies currently with the credit rating outlook being "stable".
	<p>In 2022, the Wind ESG rating of the Company stood at A, ranking high among its peers in China.</p> <p>Awarded the Best Practice Prize in the Industry (Finance) in Wind ESG Rating for A-share Companies in 2022.</p>

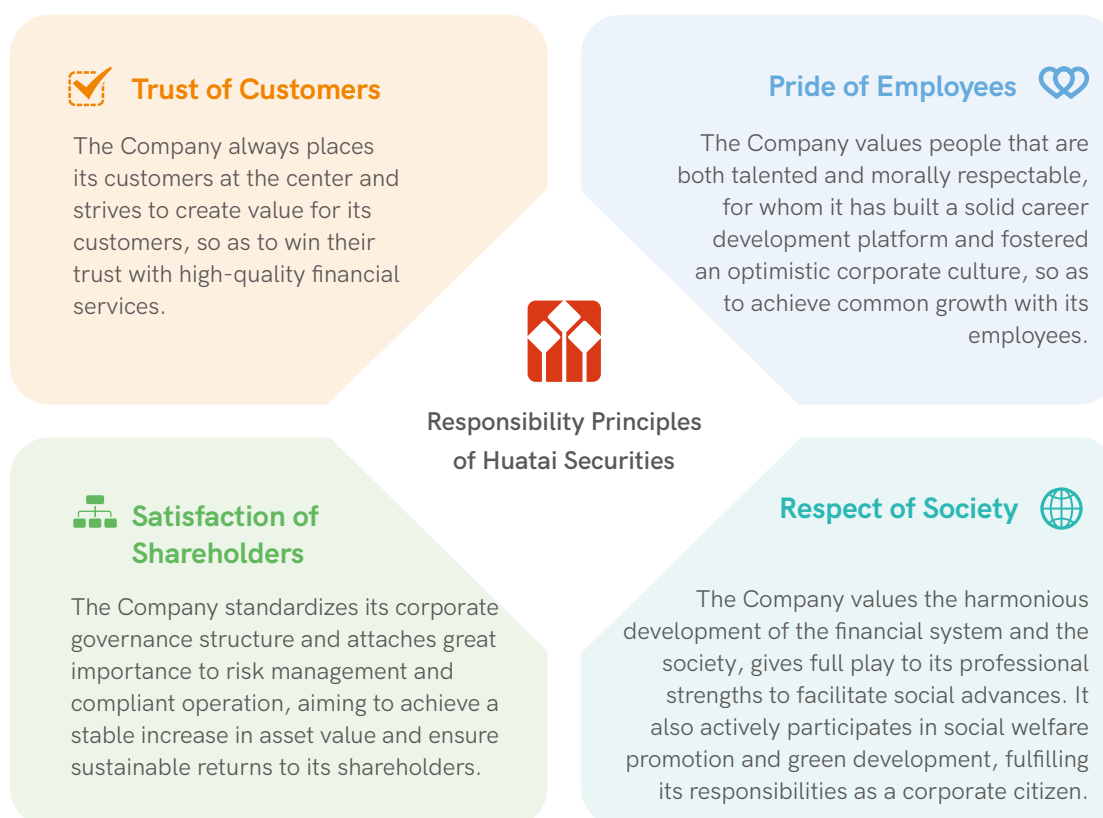


# 1. Deepening Social Responsibility Management through ESG Integration

Huatai Securities always considers the sustainable development as the core and integrates the environmental, social and corporate governance (ESG) concept into operation and management. With the social responsibility concept as the guidance, the Company closely follows cutting-edge ESG measures in the financial industry and strives to be a leader in practicing sustainable development in the industry.

## 1.1 Deepening the ESG Concept

The Company has always been adhering to its core values of “efficiency, honesty, prudence, and innovation” and its business philosophy of “centering on customer service, driven by customer demand, and aiming for customer satisfaction”, integrating ESG standards into the routine businesses of the Company, striving to create value for customers, shareholders, employees, society and other stakeholders.

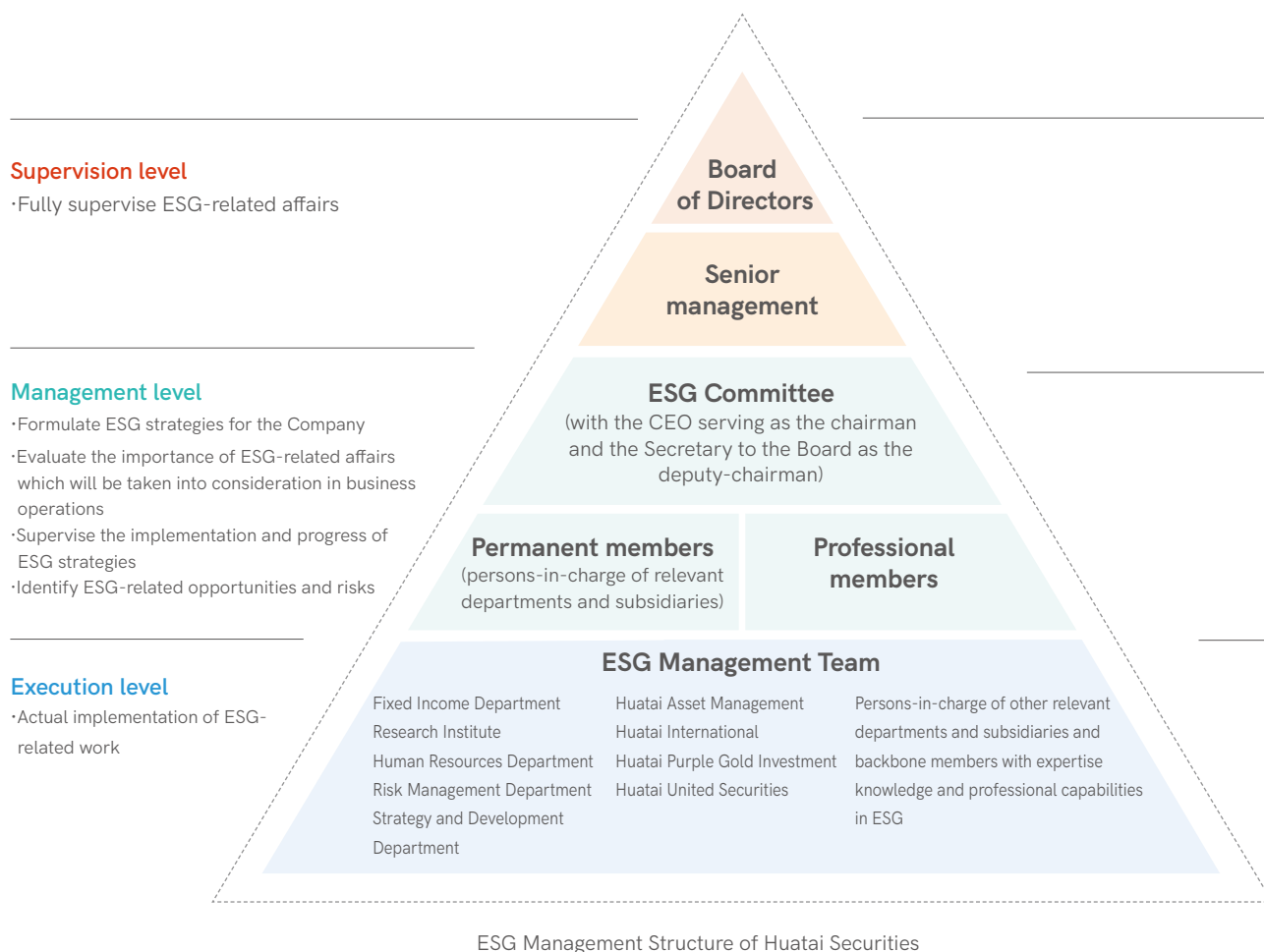


## 1.2 Strengthening ESG Management Mechanism

The Company considers the ESG as the core driver to the overall social responsibility performance and a scientific and effective governance structure as the basis for promoting ESG-related works.

### » ESG Management Structure

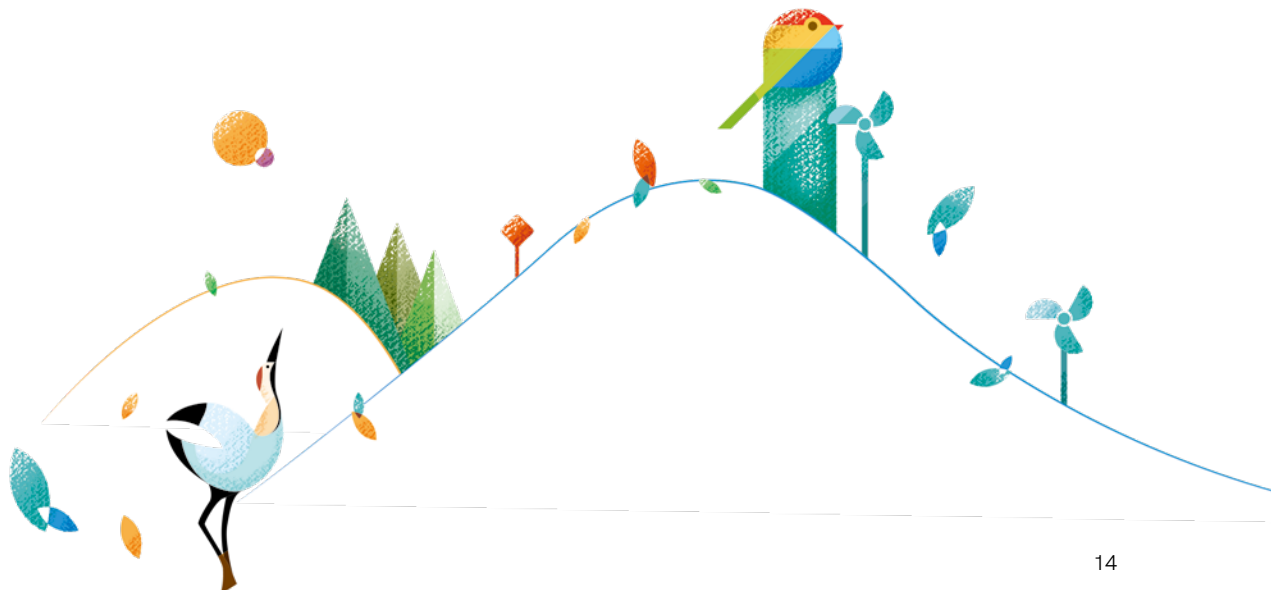
Employing ESG management as part of its development strategy, the Company set up the ESG Committee under the direct leadership and management of the Board of Directors and the senior management of the Company to continuously improve its ESG management structure, established an ESG management mechanism with the linkage between upper and lower levels and continued to improve the systematicness and effectiveness of its ESG management. With the CEO and executive director serving as the chairman and the Secretary to the Board serving as the deputy-chairman, the ESG Committee of the Company assists and supports the Board of Directors and senior management of the Company in performing responsibilities under the authorization of the Board of Directors and actively improves the performance of the Company on responsible investment and sustainable actions. The Company established an ESG management team under the ESG Committee and arranged liaison officers in relevant departments of the headquarters and in subsidiaries to be responsible for the actual implementation of ESG-related works.



## » ESG Management Systems

In 2022, the Company organized and held the meeting of the ESG Committee, which considered and released the Statement on Employees' Interests and Welfare of Huatai Securities Co., Ltd., the Statement on the Exercise of the External Voting Right of Huatai Securities Co., Ltd., the Code of Conduct on Suppliers of Huatai Securities Co., Ltd. and other ESG management systems, demonstrating the Company's targets and measures in the promotion of people's livelihood and welfare, the improvement of employees' ethics, the enhancement of suppliers management, the promotion of responsible investment and other industries.

 <p>Relevant ESG Management Systems of Huatai Securities</p>	Statement on Employees' Interests and Welfare of Huatai Securities Co., Ltd.
	Code of Conduct on Suppliers of Huatai Securities Co., Ltd.
	Statement on the Exercise of the External Voting Right of Huatai Securities Co., Ltd.
	Responsible Investment Statement of Huatai Securities Co., Ltd. (Revised in 2021)
	Environmental and Social Management Statement of Huatai Securities Co., Ltd. (Revised in 2021)
	Regulations on Anti-Corruption and Integrity of Huatai Securities Co., Ltd.



The Board of Directors of the Company fully performed responsibilities for consideration, decision-making and supervision on ESG-related affairs. The Board of Directors considers the annual social responsibility report, the annual report and the interim report of the Company, which includes the ESG governance strategy and relevant targets on energy consumption and greenhouse gas emissions of the Company. In 2022, the Board of Directors of the Company considered and approved ESG-related affairs on corporate governance, information disclosure, risk management, compliance management and social welfare.

## » Major ESG-related Affairs Considered by the Board of Directors in 2022

ESG topics concerned	Contents considered
<b>Corporate governance</b>	<ul style="list-style-type: none"> <li>Considered and approved the Articles of Association (Revised in 2022), the Terms of Reference of Special Committees of the Board (Revised in 2022), the Administrative System Regarding Investor Relationship (Revised in 2022), the Management System for Related-party Transactions(Revised in 2022) and other relevant systems on corporate governance</li> </ul>
<b>Information disclosure</b>	<ul style="list-style-type: none"> <li>Considered and approved the 2021 Corporate Social Responsibility Report, covering serving the real economy, responding to climate change, protecting biodiversity, employment development and trainings, responsible investment and other contents</li> <li>Considered and approved the Management Measures for Information Disclosure (Revised in 2022)</li> </ul>
<b>Risk management</b>	<ul style="list-style-type: none"> <li>Considered and approved the 2021 Risk Management Report and monitored the construction, implementation and operation of risk management mechanisms</li> </ul>
<b>Compliance management</b>	<ul style="list-style-type: none"> <li>Considered and approved the 2021 Compliance Report and listened to the Work Report on Anti-money Laundering for 2021</li> </ul>
<b>Social welfare</b>	<ul style="list-style-type: none"> <li>Released the Announcement on Sponsoring a Foundation</li> </ul>



## 1.3 Strengthening ESG Risk Management on Clients

The Company strengthened the clients' ESG risk management, identified, analyzed and managed possible significant ESG issues of clients through due diligence and other means. It maintained concerns on climate-related risks, strengthened the establishment of ESG risk management and strived to improve the management of ESG risks by the Company.

### » ESG Due Diligence

#### Improving work guidelines

#### Formulated the Guidelines for Due Diligence on Clients' Environmental, Social and Governance (ESG)

- Set up evaluation indicators on environmental, social and governance aspects
- Specified the triggers, identification, tracking and escalation mechanism for clients' ESG risks
- Identified, analyzed and managed possible ESG risks of clients
- Prevented the conversion of clients' ESG risks into the credit risk of the Company
- Strengthened due diligence on clients' ESG risks in industries with high environmental risks and specified that industries with high environmental risks shall meet relevant industrial policies

#### Launched supporting instruments in ESG due diligence

- Released the Reference Index of Policy Documents on Industries with High Environmental Risks, Biodiversity and Climate Change (Revised in 2022) as a supporting instrument in ESG due diligence of relevant business lines, covering major and key documents on industries and sectors with high environmental risks, namely agriculture, energy use, forestry, mining, oil and gas, transport and materials as well as biodiversity, climate change and other sectors concerned

#### Strengthening application in businesses

#### Integrated the clients' ESG due diligence management mechanism into the full process of the financing, equity investment and investment banking businesses of relevant departments of the headquarters of the Company and its subsidiaries

- In 2022, all relevant business units have implemented normalized clients' ESG due diligence in relevant business processes
- Huatai Innovative Investment and Huatai Purple Gold Investment have formulated the Implementation Plan on Clients' ESG Due Diligence and implemented the requirements on clients' ESG due diligence in the process of the private equity investment business and the equity investment business under alternative investments

#### Strengthened monitoring on ESG risk management in investing and financing activities and incorporated relevant factors on climate change into the business management and control processes

- It set up the indicator of "energy saving, emission reduction and climate change" for the aspect of "environment and sustainable development" under the clients' ESG due diligence system to understand and assess possible risks on climate change of clients

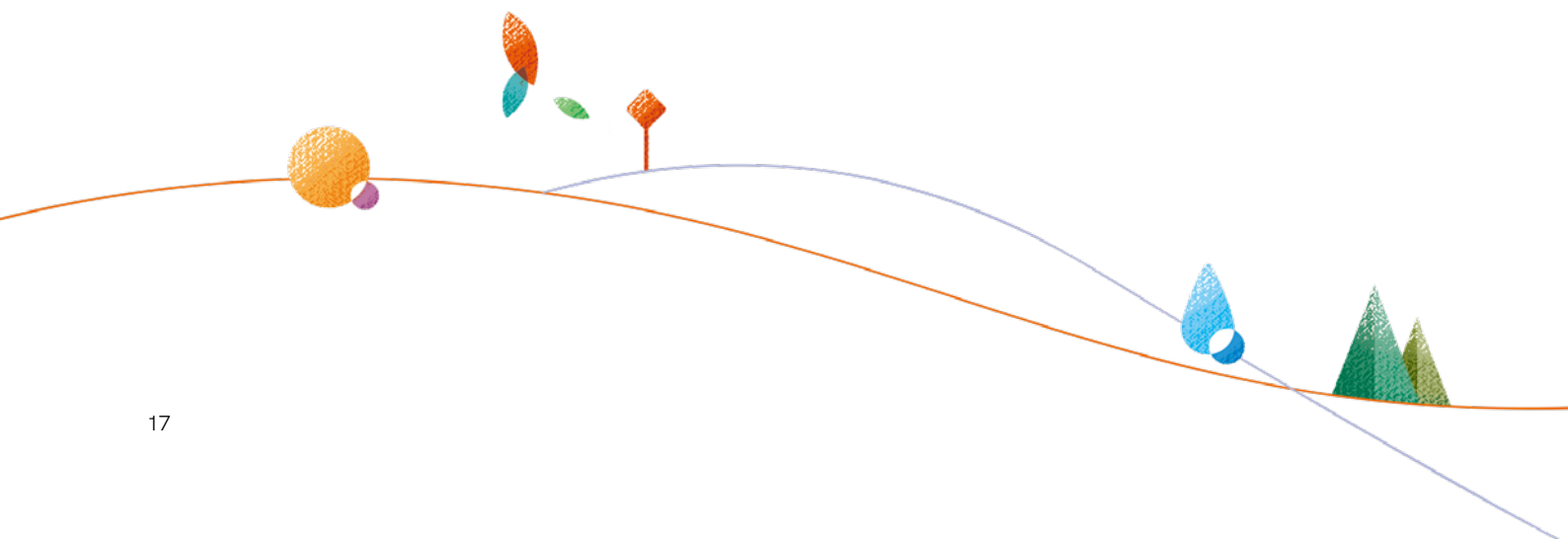
#### Application of Clients' ESG Due Diligence in Equity Investment Business

Huatai Innovative Investment formulated the Implementation Plan of Huatai Innovative Investment Co., Ltd. on Clients' ESG Due Diligence and implemented the ESG indicators in the process of the equity investment business. It had no projects with high ESG risks in 2022.

ESG due diligence	Decision-making on investment	Post-investment management
It incorporated the Evaluation Form and the Automatic Scoring Form on ESG Due Diligence into the process of business due diligence and working procedures and conducted multi-dimensional evaluation and consideration on environmental protection and sustainable development, human resources, product liability, public relations and social charity, corporate governance and business activities of the invested companies.	It incorporated the ESG assessment results into the decision-making and consideration process of investment. For projects with the ESG assessment result of high risks, the investment decision-making committee shall consider and review such risk issues and consider and approve them in accordance with relevant regulations before implementation.	It incorporated clients' ESG risk factors into the post-investment management process and working procedures and included the contents and results of the ESG risk assessment into the post-management report every year.

#### » Technology on ESG Risk

As an integral part of the CAMS intelligent grading system, the CAMS ESG function module is an important instrument of the Company for empowering ESG risk management and integrating the ESG into the decision-making on investment of the business departments of the Company. The module covers five segments, namely industrial issues, financial issues, environment and accident, general violation of laws and regulations and corporate governance. Based on industrial classification, negative public opinions and alternative featured indicators, it continuously follows and monitors the level of exposure to ESG risks and the response to ESG risks of listed companies and bond issuers.



### Optimization of ESG Function Module by CAMS in 2022

- Completed the optimization and iteration of the intelligent grading model on the urban investment industry. Through diversified machine learning methods, it selected the best model results, improved the accuracy of models, expanded the coverage of quantitative grading to entities in the development areas and improved the coverage of quantitative grading from 62% to over 90%.
- Developed the online automatic upgrading and turnover mechanism on quantitative grading from bottom data factors to the upgrading of grading models and the review and launching for application of grading results, achieving automatic upgrading of the CAMS grading on urban investment, banking and other industries.



### Application of CAMS ESG Module in Credit Rating of a Non-ferrous Metal Company

- Enterprise A is a key non-ferrous metal platform in a province. It has two listed companies with outstanding credit ratings. The long-term credit rating and the credit rating on bonds issuance of the external subject of the enterprise remained at AA+ level.
- During the rating on Enterprise A in December 2022, the CAMS-ESG module of the Company reminded that Enterprise A has large defects in safety production as core subsidiaries of the enterprise continuously recorded large-scale safety accidents. After considering the ESG performance and other factors of Enterprise A, the Company granted a 5-3 rating to Enterprise A with higher default risks, thus reducing the exposure to position and avoid potential ESG risks.

## » Trainings on ESG Risk

The Company increased investments in trainings on ESG risk management, expanded the training coverage, diversified the training contents and expanded the training methods.



Expanding the training coverage

Strengthened trainings on business staff of the financing, equity investment and investment banking businesses of relevant departments of the headquarters of the Company and its subsidiaries

Specified to conduct trainings on new employees (including staff under social and campus recruitments) of relevant business lines involving ESG due diligence

Encouraged and advocated employees of other business lines of the Company to participate in trainings



Diversifying the training contents

Diversified the contents of trainings on ESG risks on the basis of the Clients' ESG Due Diligence Guidelines, including the process of implementation of clients' ESG due diligence, the application model of the evaluation form for clients' ESG due diligence and triggering conditions of high-risk projects



Expanding the training methods

Carried online lecturing based on HTSC Cloud Academy. In 2022, a total of 1,310 participants have completed the learning of the video (supporting the mobile end) course of Clients' ESG Due Diligence Guidelines, representing an increase of 480 participants and deepening the training on staff engaged in clients' ESG due diligence.

## 1.4 Practicing the Concept of Responsible Investment

The Company deepened the integration of ESG with businesses, released the Responsible Investment Statement of Huatai Securities Co., Ltd. and gradually improved the work on the organizational structure and management, investment strategy and application, as well as research and communication for responsible investment.

### » System of Responsible Investment

The Company improved the organizational structure and management on responsible investment, established the ESG Committee and an ESG management team and arranged liaison officers in relevant departments of the headquarters and in subsidiaries and has kept improving the effectiveness of ESG management including the responsible investment. In the process of investments, the Company has included ESG factors in preliminary screening on investment targets, in-depth analysis of the investment and research team, approval and decision-making of the investment decision-making committee and continuously improved the investment decision-making procedures with ESG considerations integrated.

The Company clearly requires relevant business units to incorporate ESG factors into the full investment process of company-wide equity investment business (including equity investment in listed companies and equity investment in emerging markets), fixed-income investment business, private equity investment and equity investment in alternative investment business. It includes three important factors, namely environmental responsibility, social responsibility and corporate governance, as restrictive indexes, into regular investment decision-making.

Responsible Investment Framework System of Securities Investment Business

<b>Internal consensus</b>	Reach consensus from the top to the bottom and ensure the consistency of ESG strategies with the Company's missions, visions and core values
<b>Guidance of principles</b>	Review investment principles, amend investment policies and use them as guidance on investment decision-making
<b>Review and integration</b>	Integrate ESG factors into the process of strategic asset allocation and scenario analysis when reviewing existing assets and planning asset allocation, such as considering ESG factors in forward-looking judgments or stress tests
<b>Inspection and implementation</b>	Require selecting specific ESG investment strategies when establishing investment portfolios based on asset allocation plans and focus on reviewing and evaluating investment managers' capability in integrating ESG factors in the establishment of investment portfolios and investment decision-making
<b>Evaluation and reporting</b>	Monitor and regularly report its own ESG investment activities, including investment managers' review on the interpretation and implementation of their investment concepts and policies, investment results ascription of ESG factors and analysis on environmental and social effects of ESG investments, to prevent the conversion of investment targets' ESG risks into the Company's potential investment risks

Under the overall framework of responsible investment, the Company continuously promoted the application of responsible investment strategies, such as positive screening, negative screening, ESG integration, sustainability themed investing and impact investment, in the investment business and actively participated in green bonds investment and impact investment.

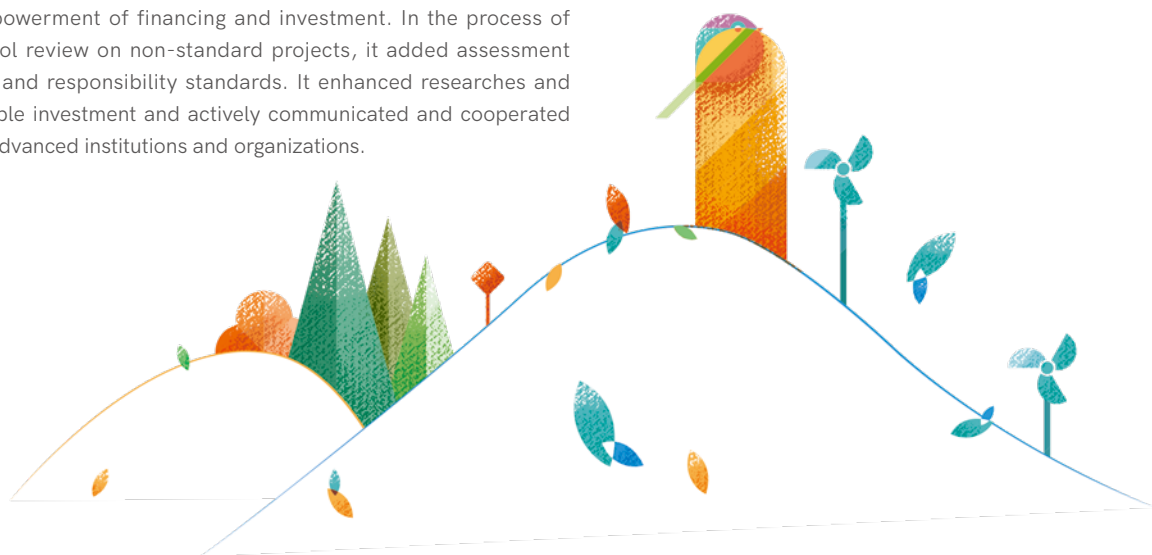
#### Application of Clients' ESG Due Diligence and Responsible Investment

Customer A operates in the chemical manufacturing industry. As the industry may have relatively higher risks on environmental pollution, the Company carried out in-depth investigations on its environmental risk based on the clients' ESG due diligence evaluation system. Based on the investigation, the Company learnt that Customer A promoted green and clean production processes from the source, advanced the upgrading and renovation of facilities as well as refined management on environmental protection and initiated the construction of "green factories", effectively controlling the environmental risk.

The Company appraised that the environmental pollution risk of the Customer A is controllable and the appraisal results showed that it falls out of the "high risk" category of clients' ESG due diligence. The Company carried out business cooperation with it after completing internal approval procedures. The Company will continuously follow subsequent changes in the ESG of Customer A.

## » Practicing the Principles of Responsible Investment

Since Huatai Asset Management officially signed the contract and joined the United Nations-supported Principles for Responsible Investment (UNPRI) in 2021 and under the guidance of the six principles for responsible investment, Huatai Asset Management continuously implemented the concept of responsible investment in the asset investment business and innovated the ESG and green asset management products from the perspective of two-way empowerment of financing and investment. In the process of due diligence and risk control review on non-standard projects, it added assessment under environmental, social and responsibility standards. It enhanced researches and communications on responsible investment and actively communicated and cooperated with peers and international advanced institutions and organizations.



## 1.5 Communication with the Stakeholders

The demands and expectations of stakeholders are core factors to be considered when the Company formulates ESG strategies and optimizes the ESG management. The Company focuses on concerns of six stakeholders including shareholders and creditors, government and regulatory authorities, customers, employees, suppliers and partners, and communities, on sustainable development and integrates the concerns of all stakeholders into the operation and decision-making processes through the normalized communication mechanism to create value for them.

### Communication with and Response to the Stakeholders of Huatai Securities

Key stakeholders	Concerns	Communication and response
Shareholders and Creditors	Corporate governance Compliance operation Risk management Information disclosure Business ethics Returns to shareholders and creditors	General meeting Regular information disclosure on websites of stock exchanges Investor communication meetings and surveys Telephone, email and SSE interactive E-platform Media such as the Company's official website and WeChat official account
Government and Regulatory Authorities	Strengthening Party building Risk management Compliance operation Serving the real economy Developing strategic and emerging industries Business ethics Industry cultural construction	Implementing Party building Cooperation with regulatory authorities in inspection and review Participation in government surveys Policy implementation Information disclosure
Customers	Improving services for customers Data security and privacy protection Responsible marketing Financial technology Responsible investment	Customer surveys Customer service and complaints Customer satisfaction surveys ZhangLe Fortune Path Media such as the Company's WeChat official account
Employees	Talent retention and development Employee rights and welfare Employment diversity and inclusiveness	Trade Union activities Staff training Corporate office automation (OA) platform Employee activities Media such as the Company's WeChat official account
Suppliers and Partners	Compliance operation Supplier management Non-governmental organizations	Cooperation and communication Formulating procurement management methods Daily communication Bidding activities
Community	Rural revitalization Common prosperity Social welfare Environment-friendly operations Responding to climate change Protecting biodiversity Environmental impact of financial services Responsible investment	Community activities Volunteers' activities Research and implementation for public welfare projects such as rural revitalization and environmental protection Serving the real economy Promoting paperless office Green buildings Development of public welfare projects on biological protection Development of green finance Practicing responsible investment concept



## 1.6 Analysis of Material Topics

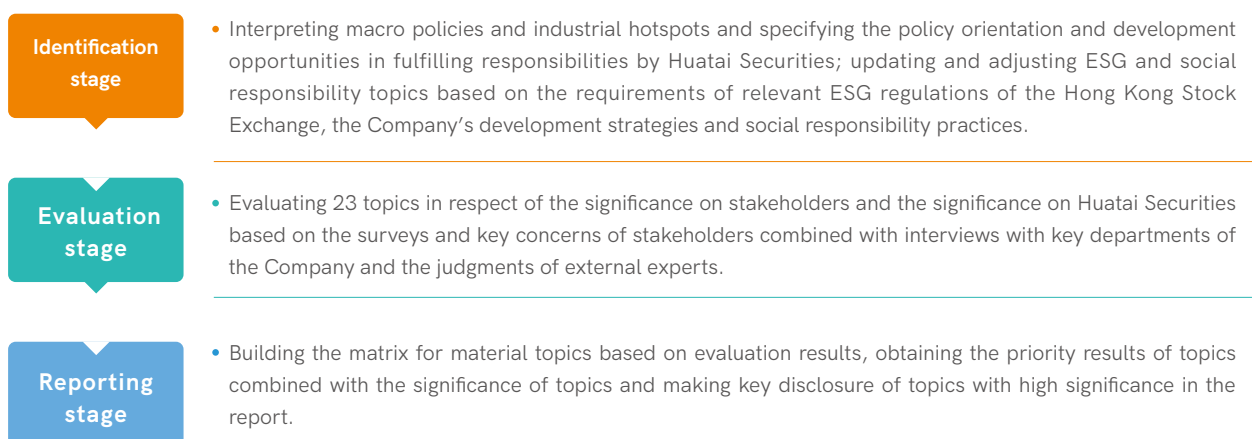
Huatai Securities referred to the analysis on material topics for the contents of this annual report with an aim to fully understand the needs, views and expectations of all stakeholders on the Company, incorporate material topics with higher priorities into the management and decision-making, business and routine operation of the Company, and respond to stakeholders' needs in time and strengthens communications with stakeholders. Material topics refer to those have material effects on the business and operation (including in environmental, economic and social sectors) of the Company or have significant effects on the evaluation, analysis and decisions of stakeholders. Through the analysis of material topics, the Company aims to improve the ESG management, respond to stakeholders' expectations and improve the ESG performance.



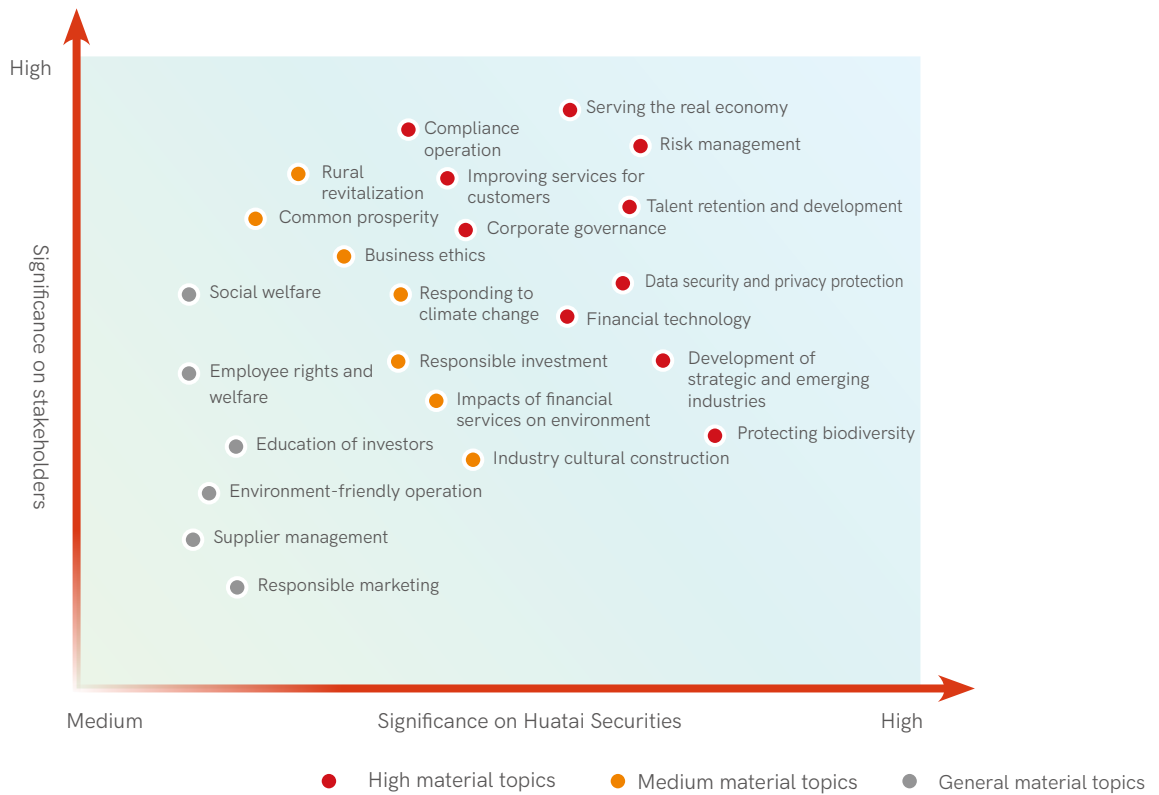
### » Significance Evaluation Process

The Company conducts comprehensive evaluation and analysis of material topics each year to ensure that the annual social responsibility report can sufficiently reflect the environmental, economic and social impacts of the Company. Closely following national policies, regulatory requirements and industrial trends and on the basis of the corporate strategies and the characteristics of the industry, the Company, in accordance with the Environmental, Social and Governance Reporting Guide of the Hong Kong Stock Exchange, with reference to the Sustainability Reporting Standards of the Global Reporting Initiative and other relevant requirements and suggestions, and combined with internal and external stakeholders' evaluation on issues on the potential list of issues as well as the business characteristics of Huatai Securities, the Company identified, evaluated and summarized 23 material topics. Meanwhile, it prioritized the importance of issues through peer benchmarking, consulting experts' opinions and feedbacks of the management and obtained the matrix for material topics.

#### Analysis Process of Material Topics of Huatai Securities



## » Matrix for Material Topics of Huatai Securities



## 2. Forging ahead Dauntlessly and Facilitating the Development of Real Economies

Adhering to the orientation of national strategic deployments and remaining true to the original aspirations on serving real economies, Huatai Securities displayed the role as a bridge connecting real economies and the capital market and carried out intensive and specialized operation in serving the construction of modern industrial systems, facilitating industrial transformation and upgrading as well as industrial adjustments, promoting regional coordinated development and promoting higher-standard opening up, contributing its strength in advancing the modernization construction with Chinese characteristics.

### Performance Highlights in 2022:

Leveraging on the full business chain system and the advantages of an onshore and offshore integrated platform of a large investment bank, the Group recorded an equity lead underwriting amount of RMB155,369 million in 2022, **ranking the fourth in the industry**.

In 2022, Huatai Asset Management, established various sub-funds to support private enterprises. It provided liquidity support and securities and financial services to real economies through financing with the pledge of stocks, equity financing and other means with a total investment scale of RMB15,884 million.

the Group recorded an equity lead underwriting amount of

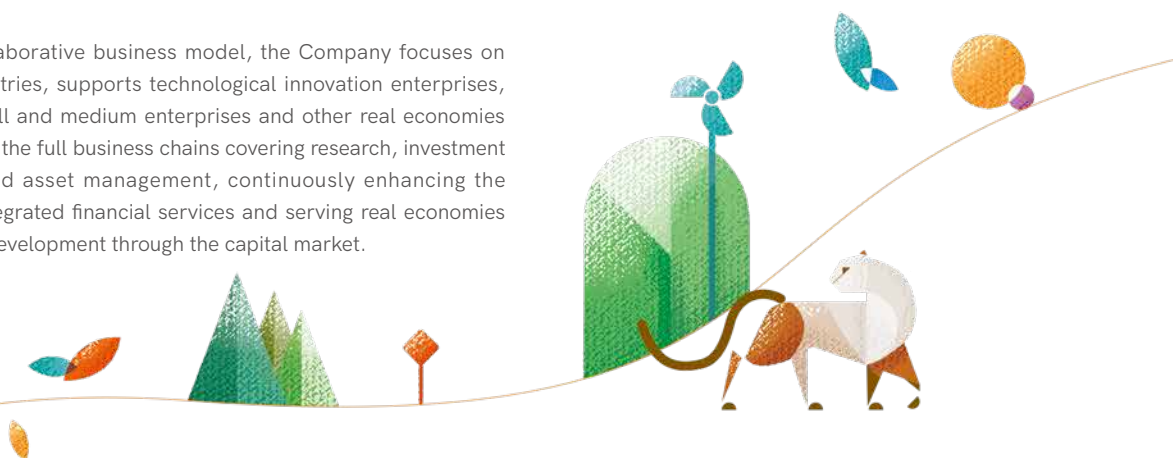
**155,369** million

a total investment scale of

**15,884** million

### 2.1 Serving the High-quality Development of Real Economies

Relying on a highly collaborative business model, the Company focuses on strategic emerging industries, supports technological innovation enterprises, private enterprises, small and medium enterprises and other real economies and efficiently integrated the full business chains covering research, investment banking, investment and asset management, continuously enhancing the capability to provide integrated financial services and serving real economies to achieve high-quality development through the capital market.



Work orientation	Measures	Scope of implementation
Focusing on strategic emerging industries and facilitating industrial transformation and upgrading	<ul style="list-style-type: none"> <li>Guided capital flows towards biomedicine, new energy, medical apparatus, high-end manufacturing and other emerging industries through equity underwriting, bonds underwriting, refinancing and other means</li> <li>Facilitated enterprises to upgrade industrial facilities, expand project investment and supplement working capitals through stock pledge, private placement, employee stock ownership, share incentive and other means</li> <li>Issued or underwrote green bonds, carbon neutrality bonds and other special bonds to support the healthy development of green industries</li> <li>Studied the development orientation of pharmaceutical and medical treatment, technology, media and telecommunications (TMT), new energy and environmental protection, advanced manufacturing and other strategic emerging industries</li> </ul>	All relevant business units of the Group
Supporting the development of technological innovation enterprises	<ul style="list-style-type: none"> <li>Provided private placement financing, equity financing, industrial M&amp;As, bond financing, innovative products financing, market making transactions and other full lifecycle services to continuously accompany the growth of enterprises</li> <li>Served specialized and sophisticated enterprises that produce new and unique products with core technologies, high market recognition and high growth and facilitated regional economic development and the upgrading of industrial structures</li> </ul>	All relevant business units of the Group
Serving the development of private enterprises and small and medium enterprises	<ul style="list-style-type: none"> <li>Established relief funds and set up fund of funds with its own capitals to support private enterprises. Huatai Asset Management established various sub-funds to support private enterprises and provided liquidity support and securities and financial services to real economies through financing with the pledge of stocks, equity financing and other means.</li> <li>Huatai United Securities established the Growth Enterprise Financing Department and provided standard conversion, financial advisory, private placement and equity financing, recommended NEEQ listing and other businesses to small, medium and micro enterprises.</li> <li>Jiangsu Equity Exchange, undertook the responsibility of serving small, medium and micro enterprises and has established 7 sub-centers and 8 tutoring bases in Jiangsu Province. Currently, it has had over 15,000 enterprises listed and displayed.</li> </ul>	All relevant business units of the Group

## » Supporting Strategic Emerging Industries

The Company focuses on biomedicine, new energy, medical apparatus, high-end manufacturing and other strategic emerging industries and actively guides capital flows through equity underwriting, bonds underwriting, refinancing and other means to facilitate in bolstering premium enterprises.

### Assisting the Listing of Everbright Photonics, the First A-share Laser Chip Enterprise, on the STAR Market

Suzhou Everbright Photonics Co., Ltd. ("Everbright Photonics") is a leading laser chip enterprise in China with the focus on the R&D, manufacturing and sale of semiconductor laser chips, components and modules as well as other core components in the laser industry. Its products are widely applied in laser intelligent manufacturing equipment, national strategic and high technologies, scientific research, artificial intelligence and other industries.

In April 2022, Everbright Photonics was officially listed on the STAR Market, making it the first listed laser chip company. As the sole sponsor and lead underwriter, Huatai United Securities safeguarded Everbright Photonics to achieve its strategic goals through the capital market, supported the development of strategic emerging industries and responded to "Intelligent Manufacturing", "Made-in-China 2025" and other national strategies and calls.

## Carried Communication Activities on Industries

In June 2022, Huatai Securities, Huatai United Securities and Suzhou Oriza Holdings Corporation jointly held the online industry salon themed "Reshaping and Reform of Automobile Industrial Chains under the Background of Electrification and Intelligence"



In January 2022, Huatai Purple Gold Investment and the Alumni Association of Nanjing University in the Biomedicine Industry held the Huatai forum of Alumni Association of Nanjing University on the biomedicine industry themed "Coiling Dragon and Crouching Tiger, Shining Purple Gold" in Nanjing.



## » Assisting Technological Innovation Enterprises

The Company provides technological innovation enterprises with full lifecycle services, including the listing of technological innovation enterprises, direct investment with capitals, financing assistance and other financial services, to continuously accompany the growth of enterprises.

### Assisting the Listing of RemeGen, a leading biopharmaceutical company, on the STAR Market and Building A+H Dual-platform Operation

RemeGen Co., Ltd. ("RemeGen") is an innovative biopharmaceutical company. It has been committed to developing targeted biological innovative drugs with new structures and mechanisms and showed breakthrough therapeutic effects in clinical trials through self-developed innovative products.

In January 2022, RemeGen was successfully listed with Huatai United Securities acting as the sole sponsor and lead underwriter. As the only Chinese sponsor, Huatai assisted RemeGen in successfully completing the IPO program (excluding secondary listing) of the largest biotech company in the history of the Hong Kong Stock Exchange 18A Chapter in 2020. As the sole sponsor, Huatai United Securities assisted RemeGen in obtaining the approval on the registration of the IPO in the A-share STAR Market, which demonstrated the advantages of the Company in full business chains and the active contributions of the Company to facilitating innovation in health technology and guaranteeing people's health in all dimensions and the full cycle.

#### Assisting the High-quality Development of Digital Platform and Technological Innovation Enterprise

Shenzhen Authine Network Technology Co., Ltd. ("Authine Network") is a leading provider of low-code digital platform services in China and is devoted to assisting enterprises and organization in achieving digital upgrading, efficiency enhancement and energy saving with low-code technologies. Currently, it serves tens of thousands of enterprises and organizations in more than 30 industries, including manufacturing, property, energy, finance, Internet, medical treatment, education and governments. In 2022, Huatai Innovative Investment made round C++ of additional investments into Authine Network through direct investment to assist Authine Network in the R&D and innovation of products and technology, the rapid expansion of market layout and the achievement of high-quality development.

#### Facilitating the Successful Issuance of the First Innovation & Entrepreneurship REITs in the Exchange Market

In December 2022, the "Huatai Asset Management - Yizhuang Holdings Yicheng Wealth Innovation & Entrepreneurship Special Asset-backed Plan Tranche 1" with Huatai Asset Management serving as the manager and sales and promotion institute was successfully established. It is the first innovation & entrepreneurship REITs project in the national exchange market. It meets the certification of the Shanghai Stock Exchange on innovation & entrepreneurship asset-backed securities, provides innovative solutions to developing the virtuous cycle of capitals, assets and funds in the Economic Development Zone and is a masterpiece in financial innovation in the High-end Industries Area and the Integrated National Demonstration Zone for Opening up the Service Sector in China (Beijing) Pilot Free Trade Zone.



◆ Huatai Asset Management - Yizhuang Holdings Yicheng Wealth Innovation & Entrepreneurship Special Asset-backed Plan Tranche 1

#### » Serving Private Enterprises

The Company provides professional financial services for private enterprises. Focusing on the needs of various stages of enterprise development, the Company provides comprehensive full-cycle financial services for the entire industry chain.

#### Supporting the High-quality Development of Premium Private Enterprises

Sany Heavy Industry Co., Ltd. ("Sany Heavy Industry") is a leader in the domestic engineering machinery industry and a representative of private enterprises. In 2022, the "Huatai-Guotai Junan-Sany High-end Manufacturing Special Asset-backed Plan Tranche 1 in 2022" was successfully issued. With Sany Financial Leasing Co., Ltd. acting as the initial rights holder, Sany Heavy Industry as the guarantor for shortfall payment, Huatai Asset Management as the manager and Huatai United Securities as the financial advisor of the project, it will facilitate the high-quality development of the industrial economy and premium private enterprises.



## » Supporting Small, Medium and Micro Enterprises

The Company continuously boosts support to small, medium and micro enterprises, assists them to solve financing difficulties and meets their multi-layered development demands.

### Establishment of All-around and Comprehensive Financial Service System for Small, Medium and Micro Enterprises

Jiangsu Equity Exchange focuses on small, medium and micro enterprises in the province and provides them with financing transfer, management training, roadshow publicity, cultivation and incubation, conversion tutoring, financial advisory, information consultancy and other all-around comprehensive financial service systems.

**“New Enterprise Point” capital market institute: Providing training courses on standards display, equity financing and fiscal and taxation tutoring based on the development stage and demand of small, medium and micro enterprises**

**“Entrepreneurship Financing Jiangsu” roadshow platform: Deeply rooting in enterprises’ demand, establishing channels and providing services on meeting equity financing demands**

- Expanding service scenarios online: Adopting the model with online display of one enterprise and online inquiries from various investment institutions and meeting “one for more” enterprises’ financing demand online
- Deeply meeting demands offline: Arranging potential investment institutions and investors to visit enterprises with financing demand and deeply meeting the financing demand

**“Securities Jiangsu” information service system:**

- Integrating information, training and various service resources in the multi-layered capital market
- Providing listing display of enterprises and listing transfer to higher-level capital markets
- Integrating financial services through regional equity markets, guiding the standard cultivation of start-ups and assisting premium enterprises to speed up in development

**Pilot construction of blockchain of regional equity markets in Jiangsu:**

- Pooling data information and service resources of enterprises and building reliable investment and financing ecosystems
- Developing hierarchical cultivation systems on enterprises with blockchain as the technical basis and sharing resources to achieve intensive development
- Meeting regulatory requirements across different chains and facilitating market operation in more standard manners



## 2.2 Facilitating Regional Coordinated Development

The Company responds to key national strategies on regional coordinated development. As a securities company deeply rooted in the Yangtze River Delta, it fully displays its advantages in financial expertise to promote the coordinated development of the Yangtze River Delta.

### Supporting Expressway Infrastructure Construction in the Yangtze River Delta and Facilitating the Implementation of the First Public REITs on Expressway in Jiangsu

In November 2022, Huatai Purple Gold Jiangsu Communications Holding Expressway Closed-end Infrastructure Securities Investment Fund (the "Huatai JCH REIT") with Huatai Asset Management serving as the fund manager and the manager of the asset-backed securities, was listed for trading on the SSE. It is the first public REITs on expressway in Jiangsu Province as well as the first public REITs approved and granted to Huatai Asset Management. Shanghai-Jiangsu-Zhejiang Expressway, the underlying infrastructure of the project, is an important section of national key trunk roads. As an important traffic ligament under the strategy of the "integrated development of Yangtze River Delta", it will inject new investment and financing impetus into the "integrated development of Yangtze River Delta".



◆ Huatai JCH REIT

## 2.3 Promoting Higher-standard Opening up

Focusing on serving domestic customers to "go global" and "bringing in" overseas customers, the Company provides all-round support for building a new pattern of opening capital market to the outside world and responds to the national strategy on promoting higher-standard opening up.

### » Assisting Domestic Customers to "Go Global"

Based on its domestic advantages, the Company deeply roots in the customer-oriented integrated and platform-based cross-border service ecosystem, fully displays the experience of the Group with A shares, H shares and GDRs listed in Shanghai, Hong Kong and London and the advantages of the whole business chain, participates in the interconnection of domestic and overseas capital markets in all dimensions and assisted various domestic private enterprises in real economies to list in Hong Kong and conduct overseas financing.

### Assisting Rainmed Medical's successful listing on the Main Board of the Hong Kong Stock Exchange

Rainmed Medical is deeply rooted in precision diagnosis for coronary intervention in China and is devoted to building global leading vascular interventional surgical robot platform covering the whole process of comprehensive diagnosis and treatment.

In July 2022, Rainmed Medical was successfully listed on the Main Board of the Hong Kong Stock Exchange. Huatai International served as the sole sponsor, the sole global coordinator, the joint bookrunner and the joint lead manager of the project, demonstrating the professional service capability of Huatai International in the big health sector.

#### Assisting Great Star Industrial's successful issuance of GDRs and listing on SIX Swiss Exchange

Great Star Industrial is a global leading tools enterprise. The company has various world-class tools brand with a history of 100 years. Its product portfolios mainly cover hand tools, storage cabinets, power tools and laser measurement tools.

In November 2022, Great Star Industrial successfully issued GDRs and listed them on the SIX Swiss Exchange. It is currently the GDR project with the largest issuance proportion among those underwritten solely. Huatai International served as the sole global coordinator and the sole bookrunner of the project. It displayed the advantage with the coverage of investors in the full onshore and offshore integrated business chains and actively coordinated and promoted the successful implementation of the project.

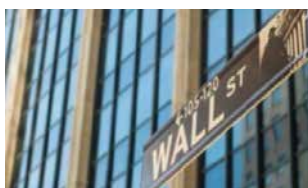
#### » Assisting in "Bringing in" Overseas Customers

Adhering to the international development concept of "upholding fundamental principles and breaking new ground and connecting the south and north", the Company develops the intermediary business in the capital market, expands the participation in mainstream international markets and vigorously promoted the construction of a modern cross-border capital market with Chinese characteristics.

Since 2015, the Company has edged into in the Hong Kong and London markets through the issuance of H shares and GDRs, acquired AssetMark in the USA, established a subsidiary in the USA and obtained various overseas business licenses, continuously expanding the participation in mainstream international markets and increasingly enhancing its influence in the international market.



In 2016, the Company acquired AssetMark, which ranked the third in the TAMP industry in the USA. In 2019, AssetMark was listed on the New York Stock Exchange with the stock code of AMK.



In 2018, Huatai Securities (USA), Inc. was incorporated in the USA as a wholly-owned subsidiary of the Company. In June 2019, it obtained the qualification to conduct broker-dealer business in the USA and can conduct business such as securities underwriting, securities brokerage for institutional investors, M&A and financial advisory, in compliance with laws and regulations.



In 2019, the Huatai Securities successfully listed its GDRs on the London Stock Exchange and became the first Chinese company to trade on the London Stock Exchange under the business rules of Shanghai-London Stock Connect.



In 2019, as the Group's holding platform for international business, Huatai International was fully integrated into the full business chain system of the Group, practically promoted cross-border linkage and provided domestic and overseas customers with cross-border comprehensive financial services.



In September 2022, Huatai International established a wholly-owned subsidiary in Singapore, and the application for related business licenses is also progressing steadily.

### 3. Green Development and Promoting Harmonious Coexistence of Humankind and Nature

Committed to the long-range objectives through 2035, Huatai Securities will give priority to promoting green development during the “14th Five-year Plan” period, actively respond to climate change and strive to protect biodiversity. It will practice green operation, develop green finance and promote the harmonious coexistence of humankind and nature.

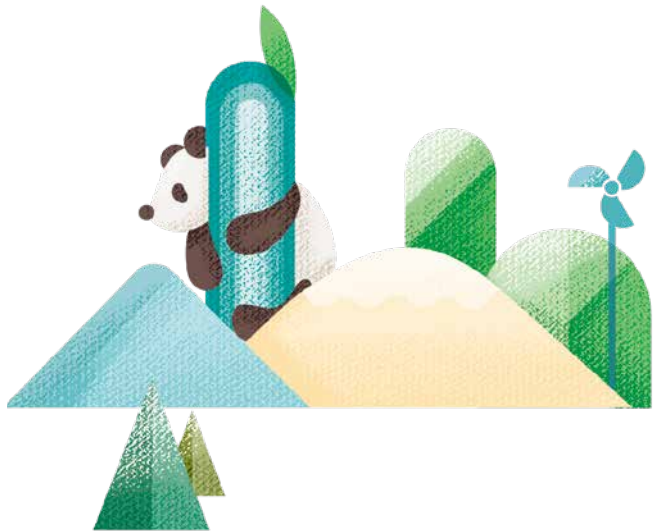
#### Performance Highlights in 2022:

Huatai Securities underwrote **53** green bonds in total with a scale of RMB**26,882** million and a total issuance amount of RMB**155,072** million.

Huatai Asset Management, issued **5** ABS products (involving projects on green finance) with a total scale of RMB**5,837** million. It issued a total of **17** green financial products with a total issuance scale of RMB**21,680** million.

#### 3.1 Responding to Climate Change

The Company actively responds to challenges in climate change. Based on the framework of the Task Force on Climate-Related Financial Disclosures (TCFD), it identifies climate-related risks and opportunities in the operation of the Company, adopt the corresponding measures based on the identification results and manage the impacts of climate change on the Company.



## » Climate-related Risk Management System

Governance	<p>The Board of Directors of the Company is responsible for comprehensively supervising climate risk</p> <ul style="list-style-type: none"> <li>Fully aware of the severity and urgency of addressing the impact of climate change and strengthening the standardization and supervision on climate risk management</li> <li>Assuming overall responsibility for the Company's climate risk management, regularly reviewing climate risk management strategies, objectives, risks and opportunities, action plans and other major decisions and paying particular attention to resolutions on climate change</li> </ul>
	<p>The ESG Committee is the decision-making and deliberative body for ESG work</p> <ul style="list-style-type: none"> <li>Responsible for reviewing strategies, goals and other major decisions related to environmental protection, climate change and other sustainable development</li> <li>Conducting important tasks such as climate change strategy formulation, determination of the importance of climate change issues, and identification of risks and opportunities of climate</li> <li>Responsible for the construction and management of climate-related mechanism, and coordination of the formation and overall implementation of climate change strategies</li> </ul>
	<p>The ESG management team is accountable to the ESG Committee and responsible for the implementation and promotion of environmental and climate change-related policies</p> <ul style="list-style-type: none"> <li>The implementation of climate risk management strategy, statistics of energy and resource consumption, and the accounting of greenhouse gas emissions</li> </ul>
	<p>All business departments and subsidiaries jointly promote the implementation of climate change actions</p>
	<p>The Company exercises the voting right and states its concerns about resolutions on climate change, including but not limited to carbon neutrality goals, actions on carbon emission reduction and response to climate-related substantial and transformation risks</p> <ul style="list-style-type: none"> <li>Approving relevant resolutions in principle and incorporates relevant regulatory policies on climate change, relevant systems of the Company on climate change, the impacts of climate change risks on the operation and finance of the Company as well as the measures of the Company on identifying and responding to risks into consideration.</li> </ul>
Strategy	<p>Carrying out the identification, evaluation and analysis of climate-related risks and opportunities</p>
	<p>Determining the climate-related risks and opportunities which are material for the Company's business and operations</p>
	<p>Gradually improving the top-level design for managing climate-related risks and opportunities</p>
Risk management	<p>Based on its business and strategy, and combined with expert opinions, the Company evaluates climate-related risks and opportunities. Moreover, the Company constructs a climate-related risk and opportunity matrix based on the assessment results, and identifies the materiality of the risks and opportunities based on their probability and degree of impact, while also improves the mechanism for climate-related risks and opportunities on an on-going basis</p>

Metrics and targets	<p>As a financial enterprise, the Company consumes energy and discharges carbon mainly for daily office work in the course of operations, involving energy such as electricity, natural gas, petrol used for company owned vehicles and diesel used for diesel generators</p> <ul style="list-style-type: none"> <li>• The Company implementing various energy conservation and emission reduction measures such as adopting renewable energy sources, promoting recycling, reducing paper consumption and advocating green and low-carbon travel, so as to reduce energy consumption and carbon emissions</li> </ul>
	<p>The Company conducts statistics and analysis of total carbon emissions and energy consumption and intensity to assess the management on climate change issue and accordingly formulate improvement scheme to promote energy conservation and emission reduction</p> <ul style="list-style-type: none"> <li>• With taking 2021 as the base year, the Company has set carbon emission and energy management targets, and will track and report on the progress of such targets on an annual basis</li> </ul>

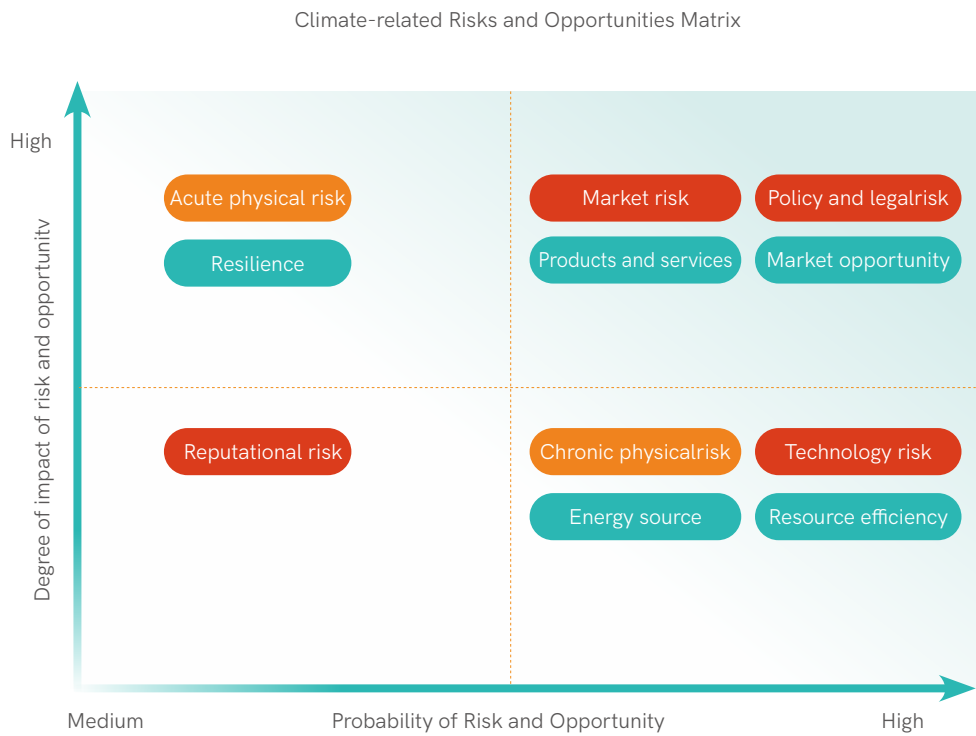
## » Analysis of Climate-related Risks and Opportunities

The Company comprehensively considers macro policies and conducts peer benchmarking. In combination with the opinions of the Company and external experts, it actively identifies relevant risk risks and opportunities related to the operation, investment and financing businesses of the Company and evaluates their potential financial impacts.

### Management Approach of Climate-related Risks and Opportunities

Identification	<ul style="list-style-type: none"> <li>• According to the unified climate change-related information disclosure framework developed by TCFD, 6 climate-related risks and 5 climate-related opportunities were identified.</li> </ul>
Evaluation	<ul style="list-style-type: none"> <li>• Based on the Company's business and strategy, combined with expert opinions to evaluate climate-related risks and opportunities</li> </ul>
Management	<ul style="list-style-type: none"> <li>• Construct a climate-related risk and opportunity matrix based on the assessment results, analyze relevant risk factors and manage them with implementing corresponding measures</li> </ul>

Climate-related Risks and Opportunities Analysis Matrix



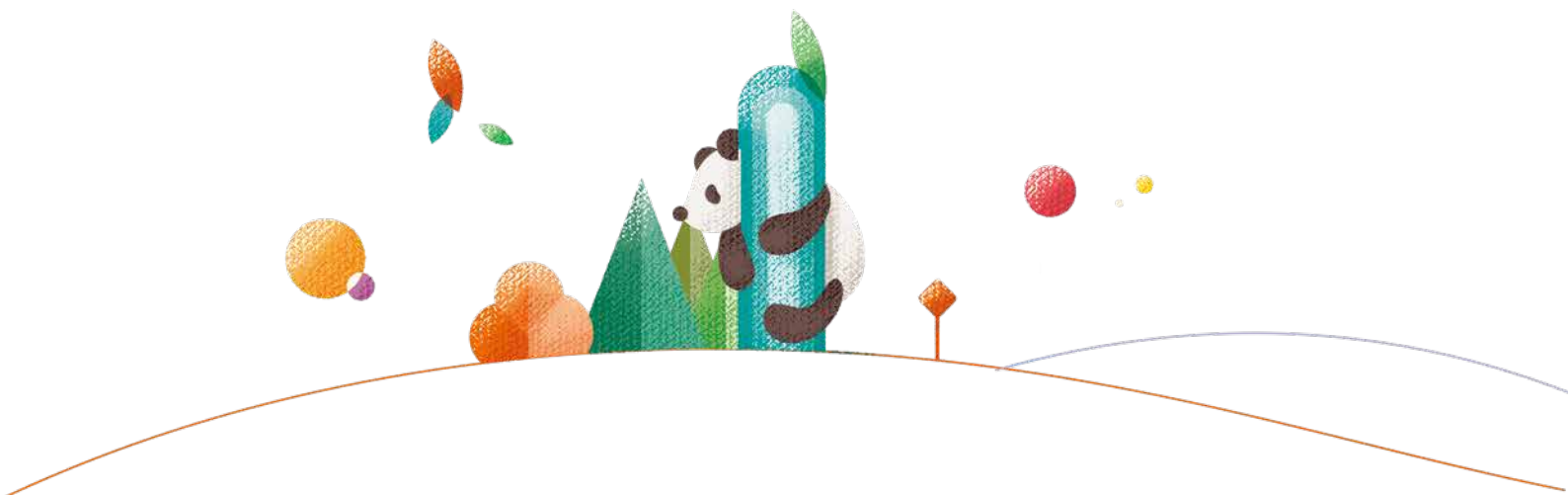
Climate-related risks

Physical risk

Transition risk

Climate-related opportunities

Opportunities



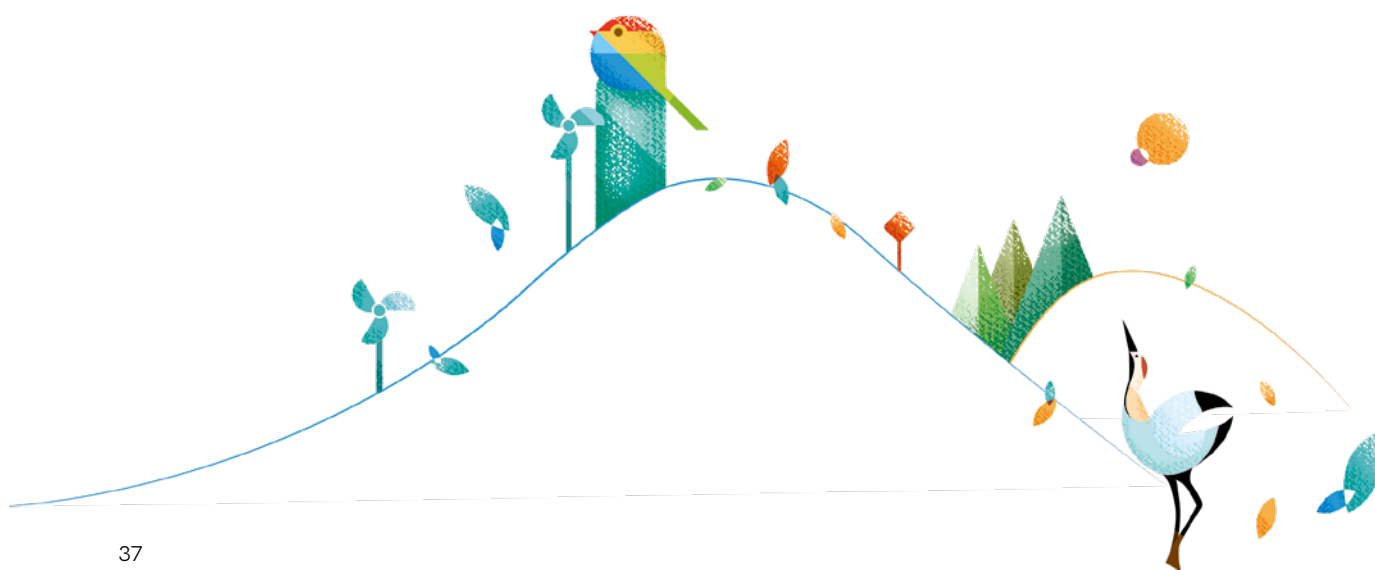
## Analysis of the Potential Financial Impact of Climate-related Risks

Type of climate-related risk	Specific description	Potential financial impact	Type of risk involved
Market risk	As the supply and demand structure of the market changes, there is a greater preference for climate-friendly products and services. The Company's customers/investment targets may be exposed to business risks such as lower product prices, raising raw material prices and failure to meet market demand in terms of products, which may impact their solvency or market valuation. Therefore, the Company may be exposed to credit risk and devaluation of investment portfolio	Operating income ↓ Portfolio value ↓	Credit risk Market risk
Acute physical risk	Severe climate changes such as typhoons and floods will produce extreme weather or natural disasters, which may impact the normal operations of the Company's business department, thereby affecting the Company's business to carry out. On the other hand, the Company's customers/investment targets may be impacted by disasters and unable to maintain normal operations, resulting in reduced solvency or lower market valuation	Operating income ↓ Portfolio value ↓ Fixed asset value ↓	Credit risk Market risk Operational risk
Chronic physical risk	Long-term natural pattern changes such as sea level rise and persistent high temperature may impact the Company's normal operations. On the other hand, with increasing climatic degeneration, the probability of climate disasters increases, which may impact the market valuation of certain customers/investment targets (such as agriculture, forestry, livestock and fisheries)	Operating cost ↑ Portfolio value ↓	Market risk
Policy and legal risk	The continued introduction of environmental policies and tightening of regulations will impact the normal operations of the Company's customers/investment targets. For example, the carbon-intensive industries may be exposed to cessation of business, resulting in reduced solvency and lower market valuation  The Company and its customers may be held accountable for not complying with climate-related policies or laws in accordance with the law, and suffer from regulatory measures, disciplinary actions, property losses or business reputation risks	Operating income ↓ Portfolio value ↓	Credit Risk Market risk
Reputational risk	The public is paying more and more attention to green operation and green construction. If the Company fails to meet the expectations of stakeholders, it may bring reputational risks to the Company's operations  On the other hand, the Company's customers/investment targets may suffer reputational damage and lower market valuation due to failure of timely response to stakeholder expectations, which may result in higher credit risk and lower portfolio value for the Company	Operating income ↓ Portfolio value ↓ Operating cost ↑	Reputational risk Credit Risk Market risk
Technology risk	In the process of low-carbon technology transformation, there are opportunities to make significant breakthroughs in energy-saving and environment-friendly technologies such as renewable energy and new energy, thus gradually to phase out traditional energy/production technologies, which may have impact on solvency and market valuation of certain customers/investment targets that are unable to update their technologies in a timely manner	Operating income ↓ Portfolio value ↓	Credit Risk Market risk



## Analysis of Potential Financial Impact of Climate-related Opportunities

Type of climate-related opportunities	Specific description	Potential financial impact
<b>Market opportunities</b>	The introduction of related policies related to carbon neutrality and climate change investment and financing have a guiding effect on green finance business and the market. Focusing on climate-friendly products and services to develop business is conducive to opening up new growth space for the Company, thereby also an increase in the market valuation of the Company's investment targets	Operating income ↑ Portfolio value ↑
<b>Products and services</b>	The Company researches and innovates climate-friendly products, or provides financial services to customers in green industries such as environmental protection, energy saving, and clean energy, which is conducive to opening up new growth space for the Company, thereby also an increase in the market valuation of the Company's investment targets	Operating income ↑ Portfolio value ↑
<b>Resource efficiency</b>	By building green data centers, the Company promotes energy conservation and emission reduction through improving resource and energy use efficiency, etc., which is conducive to reducing operating costs	Operating cost ↓
<b>Energy sources</b>	The use of clean energy and low-carbon energy to replace traditional high-carbon energy will help reduce the Company's energy expenditure in the future	Operating cost ↓
<b>Resilience</b>	It is difficult to manage climate risks individually due to few historical data available, the complex structure and transmission processes. Therefore, it can be effective to mitigate the climate risks through improving the Company's resilience to risks	Operating income ↑ Operating cost ↓



### 3.2 Protecting Biodiversity

Since the establishment of the public welfare project of “One Commonweal Heart of Huatai One Yangtze River” on ecological protection in 2018, the Company displayed the role of a financial institution as link and joined hands with public welfare organizations, university research institutions and the public to support the protection of biodiversity and environment with the Yangtze River Basin as the key area. The Company is devoted to protecting biodiversity and has no place of operation located in or adjacent to conservation areas and areas with diversified biodiversity out of conservation areas.

In 2022, Huatai Securities donated and initiated the establishment of Huatai Foundation and the “One Yangtze River” special fund on environmental protection with the phase-I capital of RMB10 million. It provides more professional and continuous supports to local work, facilitates the growth of talents in different stages in environmental protection and charity, promotes cross-border linkage between capitals and protection and guides capital inflow into public welfare.

#### “Independent Commitments by Non-State Actors”

In 2022, under the advocacy of the 15th meeting of the UN Conference of the Parties to the Convention on Biological Diversity (CBD COP15), the “Independent Commitments by Non-State Actors” of the Company with the theme of “One Yangtze River One World” was officially included in the database of the United Nations CBD “Action Agenda”, making it the first financial enterprise with independent commitments in China.

#### “Independent Commitments by Non-State Actors”

- Continuously conducting dialogues with NGOs on environmental protection, academic institutions, securities regulatory authorities and financial enterprises
- Promoting the incorporation of biodiversity evaluation indicators into the ESG rating and investment evaluation system in more effective manners
- Providing long-term and stable capital supports to NGO partners
- Launching asset management products with the theme of charity and funding biodiversity protection programs with the management fees of certain products

#### Business Guidelines on Protecting Biodiversity

The Company amended the contents of the Index of Policy Documents on Industries with High Environmental Risks, Biodiversity and Climate Change on the protection of biodiversity with an aim to strengthen the guidance on the protection of biodiversity in the business process of all business units.

#### Supporting Local Protection

Through the “One Yangtze River” program, the Company cooperates with professional protection organizations such as Shan Shui Nature Conservation Center, the World Wildlife Fund (WWF), the SEE Foundation and the Green River Environmental Protection Association to support relevant local protection, respond to climate change and protect biodiversity. It also facilitates the development of communities surrounding national parks and other conservation areas through nature-based solutions.

#### Community-based Biodiversity Protection Programs in the Source Areas of the Yangtze River

The “One Yangtze River” program provides long-term supports to Shan Shui Nature Conservation Center in the establishment of conservation areas in the source area of the Yangtze River with an area of 4,000 square kilometers. In addition to the continuous optimization of solutions on the balanced development of ecological protection and communities, it also supported Peking University and other scientific research institutes to conduct studies. It conducts species monitoring through the monitoring network with more than 400 infrared cameras, filling the blankness in ecological study on climate change and the coexistence of snow leopards and *Panthera pardus* in the PRC.

- In Chengduo Jiatang Community conservation area, the project supported and trained over 200 local herdsman to jointly participate in the investigation and protection of black-necked cranes and other key species. During 2018 to 2022, a total of 307 investigations on black-necked cranes were carried out with 66,627 cranes recorded. The maximum

number of black-necked cranes in a single observation increased year by year to 687, demonstrating the significance of Jiatang Grassland as a stopover in the migration of black-necked cranes and a sub-adult gathering place;

- A total of 1,249 independent images of otters were taken. Statistics show that there are the healthiest otter population in China in the Sanjiangyuan area, being become important hope for the recovery of otters in China.
- The achievements of the long-term monitoring on snow leopards carried out in Yunta Village, Haxiu Township, Yushu City along the Tongtian River have been published in academic journals. It is the first long-term dynamic species monitoring and analysis on snow leopards in China, filling the blankness in the dynamic research on snow leopards in China.



◆ Black-necked Crane Family on Jiatang Grassland Photo Taken by Han Xuesong

**“One Yangtze River Small Fund for Wildlife  
Protection” Program**

Huatai Securities, the World Wildlife Fund (WWF) and the Earth Wildlife Fund (OPF) in Shenzhen jointly launched the “One Yangtze River Small Fund for Wildlife Protection” species protection program in 2019. In 2022, the program supported 8 local protection organizations and professional teams in the protection of species such as roebuck, raccoon dogs, Aythya baeri, black storks, elks, Yangtze finless porpoise, manis pentadactyla and little swans as well as their habitats in the middle and lower reaches of the Yangtze River. The program supported the Environmental Protection Association of Jiangsu University of Science and Technology and 14 colleges in 7 provinces to join the group on popularization of science on Yangtze finless porpoise. The group trained over 500 college students, volunteers and lecturers and carried out protection and public education activities on Yangtze finless porpoise across China.



◆ Yangtze Finless Porpoise, the Only Freshwater Whale Mammal in Yangtze River. Photo Taken by Ye Leikai

### “One Commonweal Heart of Huatai One Yangtze River” Voluntary Activity on Coastal Wetland Restoration

Under the advocacy of the ecological protection program themed “One Commonweal Heart of Huatai One Yangtze River”, Huatai Asset Management launched the first charity-themed asset management product under the One Commonweal Heart of Huatai series. While providing financing support to green industries, it also supports the SEE Foundation in carrying out ecological restoration in coastal wetland and the pilot program on sustainable fishery in Jiangsu and promotes environmental-friendly aquaculture and sustainable fishing activities to protect biodiversity. In August 2022, Huatai Asset Management and the SEE Foundation carried out the “One Commonweal Heart of Huatai One Yangtze River” voluntary activity on coastal wetland restoration in Rudong County, Nantong City, Jiangsu Province. Employees and customers of Huatai Asset Management participated in scientific research on coastal wetland in Jiangsu in the capacity of volunteers under “One Commonweal Heart of Huatai”. Under the guidance of experts in relevant sectors, they conducted natural and scientific research on coastal birds and shoal benthonic animals as well as in-depth inspections on clam and mud snail collection, jellyfish breeding and other fishery programs concerning people’s livelihood in local communities.



◆ Scientific Research on Coastal Wetland in Jiangsu

### Citizen Scientists Conducts Biodiversity Research and Restoration in Nanjing Olympic Sports Center

Under the sponsorship of Huatai Securities, Huatai Foundation, Nanjing Olympic Sports Center and Shan Shui Nature Conservation Center jointly initiated the biodiversity research and restoration program in Nanjing Olympic Sports Center. Based on the approach of “citizen scientists”, they motivated urban residents to participate in the protection action. They learnt about basic conditions of the ground from fundamental research, proposed and practiced protection actions for problems identified and popularized the concept of protection through diversified popularization and publicity of science.

As of December 2022, 5 infrared cameras have been working for 17 consecutive months and completed 61,200-hour monitoring tasks and recorded 37 birds and 2 beasts, including Asian barred owlets, class 2 national protected animals, 5 wildlife species under special protection in Jiangsu as well as 2 indicator species for ecological and environmental quality in Jiangsu Province.



◆ Biodiversity Research and Restoration in Nanjing Olympic Sports Center

## Facilitating Talent Growth

In 2022, the Company established the “One Yangtze River” special fund on environmental protection through Huatai Foundation, aiding the expansion of environmental protection activities and the development of talents in environmental protection and charity.

Established “Little Step Scholarship - One Yangtze River Young Movers Support Program” to reward and support outstanding young people who are devoted to long-term development in the ecological and environmental protection sector with certain actual contributions in the frontline and with potentials

Established the “Streamlet Action - One Yangtze River Subsidy Scheme on Environmental Protection Activities by College Students” to provide small subsidies and supporting experts’ guidance to college students and direct them to carry out environmental protection activities in more scientific and rational manners

## Guiding Capital Inflow into Public Welfare

The Company gives play to its advantages in financial expertise, promotes the cooperation with financial institutions and listed companies and carries out cross-border communications with competent authorities on ecological and environmental protection and NGOs on environmental protection to facilitate the progress of biodiversity as a main stream.

## 2nd “One Yangtze River” Sustainable Development Forum

To implement the “Kunming-Montreal Global Biodiversity Framework” approved at the Part II of the 15th meeting of the UN Conference of the Parties to the Convention on Biological Diversity (CBD COP15) and under the guidance of the Department of Nature and Ecology Conservation of the Ministry of Ecology and Environment, China Environmental Protection Foundation, Peking University Center for Nature and Society, the Shan Shui Nature Conservation Center and the Company jointly held the 2nd “One Yangtze River” Sustainable Development Forum on December 21, 2022. Experts from the Chinese Academy of Sciences, China Banking and Insurance Regulatory Commission, China Association for Public Companies and other institutions jointly discussed on how to incorporate biodiversity into responsible investment targets, how to take root in long-term sustainable development by enterprises, the integration of the protection of biodiversity into development strategies and other key issues to guide capital inflow into public welfare and improve the nature.



◆ Xu Zhihong, an academicien of the Chinese Academy of Sciences and the former president of Peking University, delivered a speech for the activity



### Pressure Assessment Report on Business Biodiversity released

In December 2022 and under the support of the "One Commonweal Heart of Huatai One Yangtze River" public welfare program on ecological and environmental protection, various institutions, including Shan Shui Nature Conservation Center, jointly released the Pressure Assessment Report on Business Biodiversity (2021) at the side meeting of the Part II of the 15th meeting of the UN Conference of the Parties to the Convention on Biological Diversity (CBD COP15), demonstrating the results of cross-border exploration on biodiversity as a main stream in China to the international community. With the target of building biodiversity a main stream, the program incorporated the biodiversity factor into the ESG appraisal for investment risk assessment, providing relevant basis for the due diligence on investment by financial institutions, exploring solutions to support the protection of biodiversity with investments and financing and committed to seeking the benign interaction between ecological protection and economic development.



◆ Pressure Assessment Report on Business Biodiversity (2021)

### Public Communication on Biodiversity

The Company carries out innovative publicity on ecological conservation and diversifies the methods of public communication through the establishment of online and offline communication channels with an aim to publicize the importance of protecting biodiversity to the public.

### "From the City to the Wilds: Biodiversity Theme Exhibition"

In December 2022, the "From the City to the Wilds: Biodiversity Theme Exhibition" jointly planned by "My Natural Treasure Box" of Shanghai Natural History Museum (Branch of Shanghai Science and Technology Museum) and the "Strong Grass Carnival" under the Society of Entrepreneurs & Ecology Foundation (the SEE Foundation) successfully opened in Shanghai Natural History Museum, Huatai Securities provided public welfare supports to the activity.

The exhibition is divided into four segments, namely "Shanghai: People Looking for Birds", "Yangtze River: Finless Porpoise and Patrol Guardian", "Southwest: Asian Elephants and Forecasters" and "Sanjiangyuan: Snow Leopards and Monitors". It explained how "My Natural Treasure Box", "Strong Grass Carnival", "One Yangtze River" and other programs promoted the convergence of the public, scientists and institutions and built solid green ecological shelters through "online + offline" layouts under the common spirit and concept of "public participation" and "public science".

The documentary themed Jiatang: Land of Rainbow launched by the "One Commonweal Heart of Huatai One Yangtze River" program, the Natural Illustrations of

Sanjiangyuan National Park with its publication supported by the program and first franchise honey from the Giant Panda National Park with its development supported by the program were also displayed during the activity.



◆“From the City to the Wilds: Biodiversity Theme Exhibition”

### 3.3 Practicing Green Operation

In compliance with the laws and regulations and policy requirements such as the Law of the People’s Republic of China on Resources Conservation and the Environmental Protection Law of the People’s Republic of China, the Company pays attention to the impacts of its development on the environment and society, released the Environmental and Social Management Statement of Huatai Securities Co., Ltd., strives to integrate the concept of green and low-carbon development into the whole process of routine operation and management, in bid to minimize the impact of its operating activities on the environment. During the Reporting Period, there were no confirmed violations related to environmental protection that had a material impact on the Company. In 2022, there were no confirmed violations related to environmental protection that had a material impact on the Company.

#### » Green Office

Through strengthening the management of energy use, water efficiency, greenhouse gas emissions and waste emissions, the Company aims to reduce the carbon footprint of its operations on the basis of strict ecological and environmental protection, and responds to the national call on “carbon peak and carbon neutrality” with practical actions.

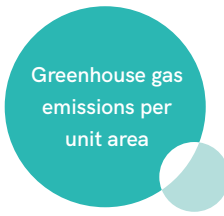
#### Enhancing Emissions Management

As a financial enterprise, the Company consumes energy and discharges carbon mainly for daily office work in the course of operations, involving energy such as electricity, natural gas, petrol used for company owned vehicles and diesel used for diesel generators.

The Company implemented various energy conservation and emission reduction measures such as adopting renewable energy sources, applying light-guided lighting system, and advocating green and low-carbon travel, so as to reduce energy consumption and carbon emissions. The Company conducts statistics and analysis of total carbon emissions and energy consumption and intensity to assess the management on climate change issue and accordingly formulate improvement scheme to promote energy conservation and emission reduction. With taking 2021 as the base year, the Company has set carbon emission and energy management targets, and will track and report on the progress of such targets on an annual basis.

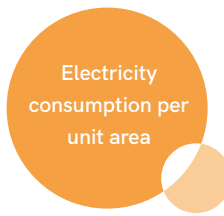


## Carbon Emission and Energy Management Targets



Greenhouse gas  
emissions per  
unit area

Take 2021 as the base year, reduce  
by **2%** in greenhouse gas emissions  
per unit area by 2025



Electricity  
consumption per  
unit area

Take 2021 as the base year, reduce  
by **2%** in electricity consumption  
per unit area by 2025.

## Carbon Emission and Energy Management Measures

Major aspects	Specific measures
Adopting clean energy	<ul style="list-style-type: none"> <li>• Installed solar photovoltaic power generation systems, solar water heating systems, solar light induction lighting systems, ground source heat pump systems, etc. in office areas to make full use of renewable energy. The Company is equipped with photovoltaic power generation systems at its headquarters, saving 95,597 kWh of electricity in 2022 with photovoltaic power generation systems</li> </ul>
Promoting energy saving and emission reduction	<ul style="list-style-type: none"> <li>• Continuously promoted energy saving and consumption reduction, completed the optimization and renovation of the energy management system, further enhanced control on energy consumption</li> <li>• Adopted ice storage technology, floor air supply system and other technologies for the air-conditioning system to give full play to the energy-saving benefits of air supply at low temperature</li> <li>• Adopted intelligent lighting control and low energy consumption LED lighting to save power consumption in office lighting</li> <li>• Used video meeting systems to reduce the number of on-site meetings and carbon emissions from business travel</li> <li>• Practiced the concept of garden office, expanded the area of greenery planting, followed the concept of green, novelty and environmental protection and adopted new construction materials</li> </ul>
Advocating green travel	<ul style="list-style-type: none"> <li>• Formulated relevant documents such as the Administrative Rules for Motor Vehicles and gave priority to purchasing new energy vehicles</li> <li>• Installed new energy charging piles in underground garages</li> <li>• Encouraged employees to use public transportation in their daily commuting and business travel</li> </ul>

Major aspects	Specific measures
<b>Low-carbon data center</b>	<ul style="list-style-type: none"> <li>• Built a low-carbon data center through measures such as improving the heat dissipation efficiency of equipment and renovating air-conditioning rooms for light and heat insulation</li> </ul>
<b>Promoting green buildings</b>	<ul style="list-style-type: none"> <li>• Huatai Securities Square received the LEED-NC Gold Certification issued by the United States Green Building Council (USGBC), demonstrating the recognition for its resource and energy use efficiency</li> </ul>
<b>Strengthening emergency management</b>	<ul style="list-style-type: none"> <li>• Established relatively complete emergency management measures, implemented a 24-hour duty and accident information reporting system for security personnel, and prepared emergency equipment to effectively reduce the impact of extreme weather on company operations</li> </ul>



### Enhancing the Efficient Use of Resources

The Company set targets for water resources management and waste management to enhance water resources management and waste management, and will track and report on the progress of such targets on an annual basis.



### Water and Waste Management Targets



Take 2021 as the base year, reduce by **7%** in water consumption per unit area by 2025



The Company will gradually improve its waste statistics to maintain a **relatively low** amount of hazardous and non-hazardous waste generated

As a financial enterprise, Company consumes water mainly for office work during the course of daily operations. With adopting municipal water as the main source, the Company has no problem in sourcing water. Furthermore, it actively implements water saving measures and strives to achieve its water saving target.

### Water Resources Management Measures

Major aspects	Specific measures
Advocating water saving	<ul style="list-style-type: none"> <li>Publicized the concept and practice of water saving by posting water saving posters in prominent office areas and playing water saving publicity videos on a loop in elevator lobbies</li> </ul>
Practicing scientific water use	<ul style="list-style-type: none"> <li>Adopted water-saving sanitary ware to reduce water consumption</li> <li>Made full use of the rainwater recovery system to maximize the use of water resources by collecting rainwater in the rainy season, and irrigating plants in the dry season</li> <li>Conducted regular maintenance on water equipment to prevent evaporating, emitting, dripping, and leaking</li> </ul>

In daily work, material consumption of the Company mainly includes paper consumption by contracts, bills, documents and other paper materials during office work. The Company mainly produces hazardous wastes including electronics waste, toners and cartridges, and non-hazardous wastes including wastewater generated from office work and service provision.

Leveraging on electronic signature management platform, the Company continued to promote paperless office and provide convenient and efficient online signing services for various businesses. It connected to various business systems such as ONE Platform, Equity Incentive Platform, Capital Management Cloud Platform, Xing Zhi (行知) and Xinchuang Contract System in 2022, with a total of over 320,000 documents signed internally and externally, and saving over 5 million pieces of paper through the online signing services of the electronic signature management platform.

#### Waste Management Measures

Major aspects	Specific measures
Promoting paperless office	<ul style="list-style-type: none"> <li>• Promoted paperless office based on the OA system and the electronic signature platform, and used environmental-friendly paper in business card production, report printing and other processes</li> <li>• Advanced online procurement, fully realized the whole process of online and standardized procurement of office supplies and promotional items from procurement to centralized settlement and payment through the coordinated operation of multiple systems including procurement, contracts and payment, significantly reducing the use of paper materials in the whole process</li> </ul>
Waste utilization management	<ul style="list-style-type: none"> <li>• Disposed waste by upholding the concept of “waste recycling and value innovation”, encouraged the reuse of waste materials and entrusted qualified units for the recycling and treatment of non-hazardous and hazardous wastes and wastewater               <ul style="list-style-type: none"> <li>✓ Discharged office wastewater into the municipal sewage pipeline; transported the wastewater to the municipal wastewater treatment plant; required the property management center to clear and transported office waste; electronic waste, light tubes, toners, cartridges and other hazardous waste entrusted to qualified units for recycling, disposal or reuse by the recycling party</li> </ul> </li> <li>• Evaluated the usage of discarded office devices, optimized the allocation of fixed asset resources and improved the utilization rate of existing assets               <ul style="list-style-type: none"> <li>✓ Innovatively promoted the recycling of old office furniture, reduced unnecessary loss of resources and saved over RMB1.2 million in 2022</li> </ul> </li> </ul>
Advocating food saving	<ul style="list-style-type: none"> <li>• Posting signs in the canteen and other prominent places, encouraged civilized dining and publicized the concept that waste is disgraceful and saving is glorious</li> <li>• Carried out food-saving activities such as the “empty plate campaign”</li> </ul>
Waste sorting management	<ul style="list-style-type: none"> <li>• Arranged areas for waste sorting in office area in response to the Administrative Regulations of Nanjing on Household Waste</li> <li>• Publicized the concept and practice of waste sorting to employees by posting posters of waste sorting in prominent positions in public places and playing waste sorting videos on a loop in elevator lobbies</li> </ul>

## Green Procurement

The Company pays attention to the performance of suppliers in environmental protection, labor and other social responsibilities, and will not consider suppliers failed to meet the requirements. It actively promoted the concept of sustainable development. As clearly stipulated in Procurement Management Measures of Huatai Securities Co., Ltd., "the Company shall give priority to purchasing energy saving and environmental protection products in procurement".

## » Green Data Center

Huatai Securities Square Data Center covers an area of approximately 5,541 square meters. From the pre-construction to post-operation, the Company's goal is to build a green data center. To this end, the Company has continually adopted various methods to improve energy efficiency.

In terms of resource deployment, the Company continues to promote business cloudization with online operation of "ZhangLe" commissions and online trading commissions in 2022 and nearly 130 physical servers offloaded.

As for the infrastructure of machine room, new and efficient energy-saving cold-aisle closure technologies are adopted in the area of machine room to increase the cooling efficiency of the equipment, enhance the effectiveness of the cold-flow utilization. The Company improved the isolation effect of hot and cold aisles by adding blind plates. Meanwhile, it renovated and updated the return louvers of air-conditioning rooms to reduce resistance in air returning and energy loss. To improve the refrigerating efficiency of air conditioners in the data center, the Company deployed temperature-controlled power air diffuser units for hotter areas in the machine room to provide reasonable and necessary cooling draught for hotter areas. On this basis, it enables that the temperature change and air flow always correspond to each other, achieved precise temperature control and improved the efficiency of cold energy utilization, thereby ensuring the reasonable distribution of cold air flow. The run time of air-conditioning compressors in corresponding areas is shortened, and one air-conditioning unit can reduce power consumption by about 30 kWh each day and about **10,950 kWh** each year.

## » Green and Environmental Protection Activities

### Participating in the "Earth Hour" Environmental Protection Relay and "To Nature and Your Songs" Online Concert

In March 2022, "One Commonweal Heart of Huatai One Yangtze River", the environmental protection public welfare project, facilitated the "Earth Hour" activity by joining hands with the HUATECHBAND formed by the Company's employees and launching an online concert themed "To Nature and Your Songs". Through music, we re-examined the relationship between humans and nature together with the public and watched the Yangtze River of life. This activity was carried out through the Weibo of "One Yangtze River" with 230,000 exposures and 38,000 video plays, receiving extensive attention.



◆ One-hour "To Nature and Your Songs" Online Concert

**Launching “Low-carbon Action Week” Activity**

In December 2022, Huatai United Securities launched the “Low-carbon Action Week” activity, aiming to enhance employees’ sense of social responsibility and guide them to practice the cultural value of “undertaking”. The “Low-carbon Action Week” was carried out based on the iConnect platform, a WeChat enterprise account. It provided a more convenient and open platform for participating in the activity through online interactions, and also provided extensive participation opportunities for colleagues on travel. More than 240 employees participated in the activity through the knowledge contest on “energy saving and carbon reduction” and recording “low-carbon actions” in life, allowing employees to have a deeper understanding of “energy saving and carbon reduction” and become active practitioners of carbon reduction.



◆ Huatai United Securities’ Low-carbon Action Week Activity

**» Development of Green Industries**

Leveraging domestic and foreign resources, the Company gives full play to the advantages of full-cycle and full-product services and continues to provide comprehensive financial services for various “carbon peak and carbon neutrality” and “green” enterprises.

**Facilitating the Listing of Hello Tech Energy on ChiNext**

Shenzhen Hello Tech Energy Co., Ltd. (hereinafter referred to as “Hello Tech Energy”) is a leading portable energy storage brand enterprise in the industry and is a national high-tech enterprise.

In September 2022, Hello Tech Energy was officially listed on the ChiNext of Shenzhen Stock Exchange, becoming the first consumer-level energy storage enterprise in the A-share market. Huatai United Securities acted as the sole sponsor and the lead underwriter for this project, facilitated Hello Tech Energy to promote the expansion of advanced production capacity, actively respond to global climate change and contribute to green and low-carbon development.

**Facilitating Shanshan in Issuance of GDRs on SIX Swiss Exchange under the Framework of China-Europe Stock Connect**

Ningbo Shanshan Co., Ltd. (hereinafter referred to as “Shanshan”) is a leading professional manufacturer of core materials for new energy lithium battery and LCD polarizers in China and the largest integrated supplier of lithium battery materials in the world.

In July 2022, Shanshan successfully completed book-keeping and pricing on the SIX Swiss Exchange, becoming one of the first Chinese enterprises with the successful issuance of GDRs on the SIX Swiss Exchange under the framework of China-Europe Stock Connect. Huatai International, acting as the lead global coordinator and the joint bookrunner for the issuance of GDRs, facilitated Shanshan to seize the historic opportunities in the development and reform of the global new energy industry, enhance the global competitiveness of its core business, and effectively promote the development of the new energy industry.

**3.4 Development of Green Finance**

In response to the requirements of the Guiding Opinions on Promoting Investment and Financing on Climate Change, the Company developed green finance business through supporting the listing of new energy, energy-saving and environmentally friendly companies and innovating green financial investment and financing instruments to jointly promote innovation in green technology and contribute to the green transformation in economic development.

### Huatai International Won the Trophy of “First Participants in Hong Kong International Carbon Market” and Completed Carbon Emissions Reduction Transactions in RMB and HKD

In October 2022, Huatai Capital Investment Limited, a wholly-owned subsidiary of Huatai International and an investment platform of Huatai Financial Holdings, achieved the first transaction on international carbon emissions reduction volume VCUs (“Verified Carbon Units”) on the Core Climate platform of the Hong Kong Stock Exchange, becoming the one of first Chinese institutions entered the platform and completed international carbon emissions reduction transactions.

Since the official launching of the Core Climate platform, domestic and overseas teams of Huatai have actively interacted with each other, maintained close business communications with customers in both domestic and overseas carbon trading market, and completed a number of dual-currency carbon emissions reduction transactions in Hong Kong dollars and RMB, maintaining a high level of activity on the Core Climate platform and actively providing liquidity to the carbon market. The transaction targets covered forestry, biomass and other emissions reduction projects met the Verified Carbon Standard (VCS) by Verra.

This is Huatai’s first attempt in exploring pricing and trading in the international carbon market, laying a key foundation for Chinese institutions to deeply integrate into the international carbon market, fully serve the green and low-carbon development of real economies, and promote the realization of the national goal on “carbon peak and carbon neutrality”.



◆ Huatai International Won the Trophy of “First Participants in Hong Kong International Carbon Market”

## » Practice on Green Bonds

The Company continuously advances the green bond business and supports the development of green industry projects. In 2022, Huatai Securities underwrote **53** green bonds with an underwriting scale of RMB**26,882** million and a total issuance amount of RMB**155,072** million.

## » Innovation in Green Finance

The Company deployed on various types of green infrastructure assets and innovated green financial products and services. In 2022, Huatai Asset Management, issued **5** ABS products (involving green finance projects) with a total scale of RMB**5,837** million, and **17** green financial products with a total issuance scale of RMB**21,680** million.

In 2022, Huatai Securities facilitated the issuance of the 22 ABC Green Financial Bond 02

In 2022, Huatai Securities participated in the issuance of 22 Everbright Environment GN001 (Carbon Neutrality Bond)



### Developing Blue Ocean Economy and Facilitating China Communications Construction Company Limited (CCCC) to Issue the First Blue Asset-backed Securities in China

In December 2022, "CCCC Receivables Special Green Asset-backed Plans (Blue) No. 1 Tranche 11" (the "Current Product") was successfully issued, becoming the first blue asset-backed securities in China.

The development of the "blue economy" is an important measure to improve the ecology and environment. The projects involved in the underlying assets of the Current Product are in line with the concept of "blue economy" proposed by the World Bank in 2017 and the goal of building a sustainable marine ecological environment during the "14th Five-Year Plan" period. As the independent financial advisor of this project, Huatai United Securities facilitated the development of "blue economy" and contributed to the development of green finance in combination with the advantages of CCCC Third Harbor Engineering Co., Ltd, in the offshore wind power business.



◆ CCCC Receivables Special Green Asset-backed Plans (Blue) No. 1 Tranche 11

### Practicing Carbon Peak and Carbon Neutrality Strategies and Innovating Green Asset Securitization Product

In December 2022, Huatai Asset Management, acting as the manager, successfully issued two green ABS programs to guide social capitals to increase investments in green assets and contribute to the development of green economy.

"SPIC Hainan New Energy Wind and Light Special Green Asset-backed Plans (REITs) No. 1": It is the first equity wind power REITs in the national exchange market and the first green REITs project in Hainan Province with remarkable environmental benefits.



◆ SPIC Hainan New Energy Wind and Light Special Green Asset-backed Plans (REITs) No. 1

"Huatai Asset Management - Poyang Lake Leasing Special Green Asset-backed Plans No. 1 in 2022": It is the first green ABS product of Poyang Lake Leasing with the green grade of G1, the highest in the industry. It is expected to achieve annual carbon dioxide emissions reduction of 187,900 tons and annual replacement of fossil energy of 82,300 tons of standard coals, providing innovative solutions and green financial support for the green and low-carbon development and transformation of enterprises in Jiangxi Province.



◆ Huatai Asset Management - Poyang Lake Leasing Special Green Asset-backed Plans No. 1 in 2022



### First Carbon Neutrality ABS in Online Car-Hailing Industry

In April 2022, the issuance of the first tranche of "Huatai - Geely Cao Cao Travel Special Asset-backed Plans (Special for Carbon Neutrality) Tranches 1-5" was completed, which is the first carbon neutrality ABS in the online car-hailing industry. Hangzhou Youhang Technology Co., Ltd. was the financier of the program; Huatai United Securities acted the sole financial advisor; and Huatai Asset Management served as the manager of the program. The projects involved in the underlying assets of the program and the investment projects are green and low-carbon industrial projects for "green transportation". The funds raised are mainly used for purchasing and launching pure electric new energy vehicles to facilitate green travelling.



◆ Huatai - Geely Cao Cao Travel Special Asset-backed Plans (Special for Carbon Neutrality) Tranches 1-5

## » Researches and Communications

### Researches on Green Finance

The Company strengthened the researches on green finance and released 10 thematic and in-depth research results on "carbon peak and carbon neutrality", "sustainability", "new energy" and "environmental protection and low carbon".

#### Theme of Researches

Focus on Quality Long Tracks, Carbon Neutrality and Metaverse/Special Research

Introduction of Environmental-friendly and Low-carbon ETFs/Quantitative Investment Weekly

Green Convertible Bonds: Carbon Neutrality Theme, Leaders in Power Generation with Waste/Analysis on Investment Value of New Bonds

SiC: Seizing Investment Opportunities under the Background of Carbon Neutrality/In-depth Research

Opportunities in Investment in Green Power Sector under the Background of Carbon Peak and Carbon Neutrality/Special Research

Broad Prospects for Photovoltaic Auxiliary Materials in Facilitating Carbon Neutrality/In-depth Report

Carbon Peak and Carbon Neutrality Strategies Lead to Rosy Risk Outlook/In-depth Report

Exploring Zero-carbon Buildings through Analysis on Entire Industry Chains/In-depth Report

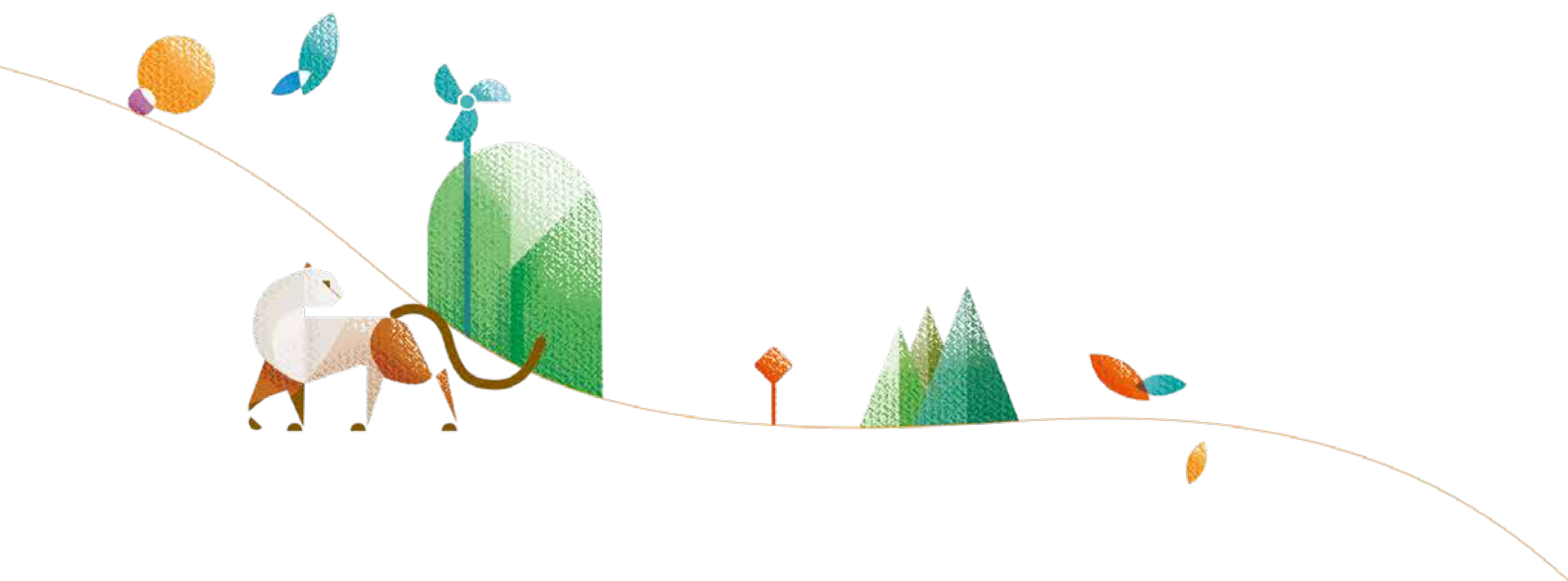
Carbon Neutrality in Science and Technology: From Primary Responsible Party to Promoter/Special Report

ESG Evaluation System and ESG SmartBeta/In-depth Research

**Participated in Communications on Green Finance**

The Company actively participated in key communications activities on “carbon peak and carbon neutrality” and “sustainability” at home and abroad, organized and held relevant forums and meetings.

Time of activity	Name of activity
May 2022	Huatai Securities held online interim strategy meeting on new energy: Carbon Peak and Carbon Neutrality Open New Roads and Embrace Dawn for New Life
August 2022	Huatai Securities and Huatai United Securities organized activities at the TMT Summit - Intelligent Automobile Session themed “New Travelling under Carbon Peak and Carbon Neutrality: Technology Embraces Life and Facilitates Travelling”
September 2022	Huatai Securities held live meetings of the forum themed Huatai Securities 2022 New Energy Theme Forum - Outlook for New Energy in 2023
November 2022	Huatai Securities held the 2023 Annual Investment Summit - Energy Transformation Session themed New Technology and New Industrial Models in the Era of Carbon Peak and Carbon Neutrality



## 4. Collaboration and Coexistence to Create a Better Life Together

Huatai Securities has been actively fulfilling its social responsibility and deeply engaged in the fields of rural revitalization, education and medical care, ecological protection and other fields for more than 30 years since its establishment. The “One Commonwealth Heart of Huatai” public welfare brand is gaining popularity, and in 2022, Huatai Securities initiated the establishment of the Huatai Public Welfare Foundation by donating funds to bring together the strength of more partners and create further social sharing value.

### 4.1 Promoting Rural Revitalization

The Company has solidly pushed forward to the work of effective linkage between the consolidation and expansion of the poverty alleviation achievement and rural revitalization, and has strived to explore new paths and methods for assistance work in the new era to create a mode of assistance work with industry characteristics and outstanding effects, and to devote our efforts to serve the national strategy of rural revitalization. In 2022, the Company was honored as the “Advanced Unit of ‘Five-Party Linkage’ Assistance Work in the Province for 2020-2021” by the Rural Work Leading Group of the CPC Jiangsu Provincial Committee and honored as the “Advanced Unit of Consumer Assistance (Lhasa) in 2022” by the Forward Command Department of partner assistance (Lhasa, Tibet) in Jiangsu Province.

#### » Working Mechanism

<b>Responsibility System Improvement</b>	Insisting on the party building to lead rural revitalization, constructing a working mechanism featuring the main leadership research, specific guidance of the divisional leaders, and the functional departments being in charge
<b>Assistance Team Members Selection</b>	Insisting on the selection of young backbone staff with good political quality, strong working ability, commitment and responsibility as the assistance team members and serve as the “first secretary” in the village
<b>Group Strengths Integration</b>	Insisting on the positioning of financial services for the real economy, building a whole business chain with the concept of “One Huatai” (一個華泰), and integrating the Group’s strengths to provide comprehensive financial services for the assistance areas

## Key Measures in Serving Rural Revitalization

<p><b>Village- enterprise Construction</b></p>	<ul style="list-style-type: none"> <li>✓ Adhering to Rural Revitalization led by party building and focusing on organizational power, the Company enhanced exchanges and cooperation through resource sharing, co-education of party members, co-organizing activities, co-branding and other ways to carry out party building with village party organizations</li> <li>✓ The Company is committed to providing targeted support and participated in the new round of "Five-Party Linkage" rural revitalization and assistance work in Jiangsu Province, and providing targeted support to Dengzhuang Village in Fanlou Town, Feng County. The Company allocated supporting funds of RMB1 million to support Feng County's village revitalization work, such as the project of facility agriculture, smart village governance, service place upgrading and new farmer training</li> <li>✓ The Company continued the village-enterprise construction with 10 villages in five counties and cities in central and northern Jiangsu Province, and promoted the implementation and effect of industrial support projects such as rural tourism, sunshine banquet halls and melon and fructus trichosanthis planting bases</li> </ul>
<p><b>Industrial support</b></p>	<ul style="list-style-type: none"> <li>✓ With research visits to enterprises in rural areas, the Company precisely matched their capital market demand and provided differentiated financial services for enterprises of different sizes, types and stages of development</li> <li>✓ The Company solidly carried out financial support, continued to deepen the "One Company Helps One County" pairing assistance work with Jinzhai County, Anhui Province, compiled the "Beautiful China Village Revitalization in Progress - Economic Research Report of Jinzhai County, Anhui Province" (《美麗中國鄉村振興進行時——安徽金寨縣經濟調研報告》), gave full play to the financial professional Give full play to the intellectual strengths of financial professionals to help Jinzhai's economic and social development</li> <li>✓ With emphasizing on improving income of rural collective economy, the Company supported the construction of industrial projects to strengthen the collective economy and implemented various measures to support the development of specialty industries in rural areas</li> </ul>
<p><b>Consumer support</b></p>	<ul style="list-style-type: none"> <li>✓ With establishing a new production and marketing partnership, the Company took the advantages of its platform to help selling agricultural and sideline products and promote internet resources extend to the third and fourth-tier markets, through which the Company made efforts in building an internet marketing platform to expand online sales channels for agricultural and sideline products</li> <li>✓ The Company actively supported consumer assistance, deepened cooperation between the east and west and targeted assistance work</li> <li>✓ To give full play to the advantages of trade union organizations, trade unions implemented a two-year action plan for consumer support and support for partner areas from 2022 to 2023</li> <li>✓ Since 2022, the Company accumulatively purchased RMB3,300,000 of consumer assistance products</li> </ul>
<p><b>Public welfare support</b></p>	<ul style="list-style-type: none"> <li>✓ The Company actively involved in rural public welfare undertakings and supported the development of public utilities such as rural roads, culture, education, healthcare and other public utilities</li> <li>✓ To participate in public welfare charity and to promote the spirit of public welfare</li> </ul>

## » Finance Empowerment

<p><b>Whole Business Chain Exerts Financial Expertise</b></p>	<p>The Company exerted its advantages in the market industry and financial expertise, and insisted on providing a full range of comprehensive financial services based on the actual needs of assistance areas</p> <ul style="list-style-type: none"> <li>✓ The Company innovated the “Insurance + Futures” service model to help the steady development of agricultural industry</li> <li>✓ The Company promoted the development of the “Agriculture (Rural Revitalization) Board” of the Jiangsu Stock Exchange to provide integrated financial services such as display and promotion, investment and financing services, mergers and acquisitions and restructuring for agricultural enterprises</li> </ul>
<p><b>Impact Investment Serves the National Rural Revitalization Strategy</b></p>	<p>The Company conducted impact investment, by giving full play to the role of the capital market to help the implementation of the national rural revitalization strategy</p> <ul style="list-style-type: none"> <li>✓ The Company participated in rural revitalization bond investments, by focusing on the use of bond proceeds for rural revitalization, rebuilding of run-down areas and urban security housing projects, among other projects</li> <li>✓ The Company continuously supported enterprises in poor areas to raise funds via debt financing instruments and participated in rural revitalization bond investments, so as to play a positive role in rural revitalization and consolidation through influence investment</li> <li>✓ In 2022, the Company invested a total of RMB250 million in rural revitalization bonds in Tibet and Fujian, and participated in the underwriting of seven rural revitalization bonds with a financing scale of RMB400 million</li> </ul>



## Contributing to rural revitalization in the southwestern region of China

The issuing size of 22 Everest V1 amounted RMB**500** million with a maturity of **2** years and a coupon rate of **4.85%**, and is issued by Shigatse Everest City Investment Development Group Co., Ltd (日喀則珠峰城市投資發展集團有限公司). Huatai Securities invested RMB**80** million in the bond, reaching the maximum brokerage holding ratio of **16%** for a single bond, thus contributing to the rural revitalization efforts in the southwestern region of China.

## Innovating Financial Service Model to Help Stable Development of Agricultural Industry

**“Insurance + Futures”** has been mentioned for eight consecutive years since it was first included in the “Central Document No. 1” in 2016, and the mode of **“Insurance + Futures”** has been highly recognized at the national level in protecting farmers’ stable income and increasing income, promoting healthy development of rural industries and contributing to the rural revitalization.

In 2022, Huatai Futures, launched **89 “insurance + futures”** projects involving **12** varieties of hogs, feed, sugar, apples and cotton, covering **14** provinces (Guangdong, Henan, Hunan, Hubei, Guangxi, Jilin, Fujian, Jiangsu, Yunnan, Shandong, Heilongjiang, Gansu, Hainan and Xinjiang), which involved **371,200** tons of bulk commodities. The Company provided nearly RMB**2** billion in risk protection to **23,000** rural households and received compensation of nearly RMB**50** million.

## » Assistance Activities

In 2022, Huatai Futures, actively responded to the initiative of the China Futures Association to comprehensively promote the revitalization of villages to help realize common prosperity, and fully utilized its professional advantages in futures to vigorously carry out assistance work in rural revitalization areas. Huatai Futures invested about RMB**1,250,300** to support the development of special agricultural products, rural tourism and ethnic cultural industries in rural revitalization areas such as Lancang County in Yunnan, Horqin Right Front Banner in Inner Mongolia and Jingning County in Gansu to boost the revitalization of local industries. Huatai Futures insists on “purchase in lieu of donation”, and the union combines the staff’s holiday comfort activities to give priority to the purchase of special agricultural products in the areas of assistance up to RMB**820,000**, and at the same time, Huatai Futures advocates the staff to actively purchase special agricultural products in the areas of village revitalization to help the revitalization of villages with practical actions. In addition, Huatai Futures attaches importance to knowledge support, and has conducted **29** professional training sessions on financial knowledge in rural revitalization areas, with an attendance of **717** people.



#### Supporting the construction of a distinctive industrial park to help rural revitalization in Horqin Right Front Banner in Inner Mongolia

In September 2022, Huatai Futures donated assistance funds of RMB500,000 to the construction of a distinctive industrial park in Julihen Township, Horqin Right Front Banner, Inner Mongolia, to assist in the implementation of the project of "Building a demonstration village and revitalizing the construction of the county system with 'One Village, One Product'" in Hongxin Village, Julihen Township, Horqin Right Front Banner. The project will drive the construction of a special 100-jin watermelon demonstration industrial park to realize the transformation of traditional agricultural farming into technological farming, modern farming and special farming; it will also expand the tourism, tourism and picking industries in the park, thus driving local farmers to increase their income and boosting the rural revitalization of Horqin Right Front Banner into a new level.



◆ Donation Ceremony for Construction of Horqin Right Front Banner, Inner Mongolia

## 4.2 Establishing Public Welfare Foundation

Relying on the Huatai Public Welfare Foundation, the Company will leverage its strengths in expanding into the capital market, pooling resources from various sources, focusing on key areas and exploiting its financial expertise to empower the public welfare and charity industry.

#### Establishment of Huatai Public Welfare Foundation

In March 2022, the Jiangsu Huatai Public Welfare Foundation, initiated by Huatai Securities, was formally established and set up the Rural Revitalization Special Fund featuring "One Commonweal Heart of Huatai", with an initial funds of RMB20 million. The fund will help promote the revitalization of industries, support the development of rural education and medical services, and provide precise financial support to left-behind children and children with serious illnesses in rural areas and other special groups. It will also help develop the ability of social work service organizations in underdeveloped areas and provide financial support to civil rescue organizations to enhance their response capability to major natural disasters.



◆ Building Resilient Homes by Adopting Climate Change: Huatai Public Welfare Foundation Sponsors Water Rescue Training



### 4.3 Supporting Rural Education

Since its establishment in 2016, the “One Commonweal Heart of Huatai One Tomorrow” rural education program has been dedicated to improving the mental health and overall quality of left-behind children, mobilizing the efforts of various parties to help children in need to continuously improve their living conditions, helping their healthy growth and promoting educational equity.

The program provides targeted voluntary services for left-behind children and teachers by sponsoring schools with a high density of left-behind children, in conjunction with the characteristics and differentiated needs of the schools, introducing resources from experts in psychology, education, sociology, intangible culture, ecology and sports, cultivating the children’s diversified interests and hobbies, and helping their growth.



In 2022, the program has benefited

**64,578** children



Has benefited

**9,980** teachers

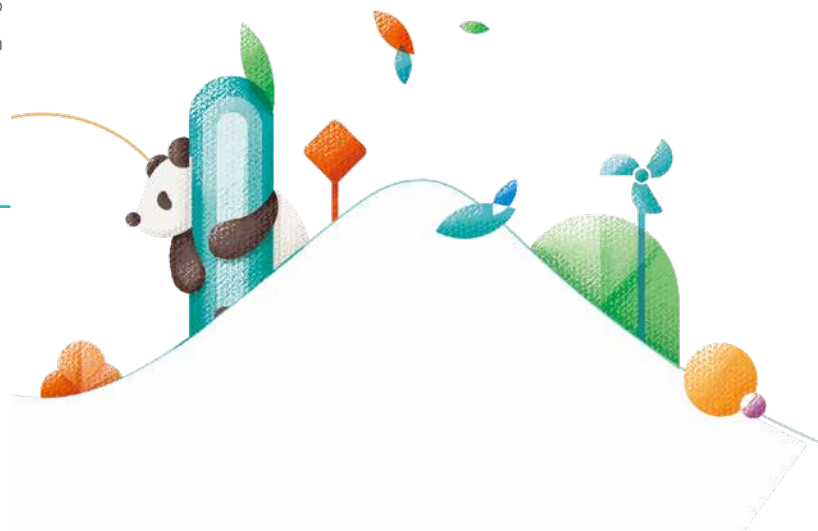
The program team has cooperated with public fund-raising foundations to bring in **108,832** donations amounting to RMB**2.347** million for assisting a total of **912** children in financial difficulties.



◆ Collecting Living Subsidies for the Children in Difficulty in Project Schools by the Freehand Sketching of Staffs’ Children from Huatai Securities



◆ The Project Team Members of “One Commonweal Heart of Huatai” visited the households for children in difficulty on site



## 5. Digital Transformation to Safeguard Product Service Responsibility

Huatai Securities has a forward-looking layout of fintech, strengthened the application of digital technology in finance, insisted on technology-enabled product innovation and quality services, and actively explored the sustainable development path of “finance + technology + green”.

### Performance Highlights in 2022:

Download amounts of “ZhangLe Fortune Path” reached **4.74** million, with a cumulative total of **70.06** million downloads since its launching

Huatai Securities Nanjing National Investor Education Base was awarded **“Excellent”** rating by China Securities Regulatory Commission for the year 2021-2022

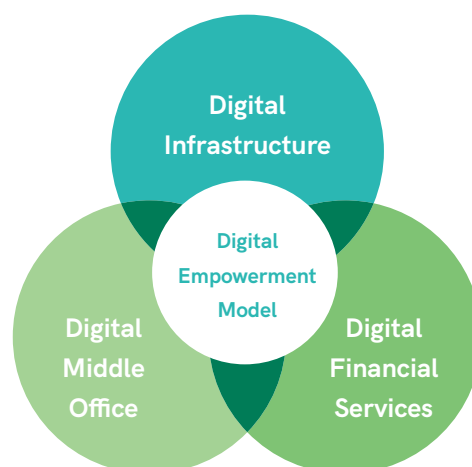
The Company’s investor education services received an **A** grade in the first year’s investor education evaluation assessment of brokerage firms organized by the SAC, the SSE, the SZSE and the NEEQ

### 5.1 Accelerating Digital Transformation

The Company has seized the wave of financial technology development and driven its high quality development via comprehensive digital transformation.

#### » Focusing on Financial Technology

The Company continued to explore cutting-edge technologies such as artificial intelligence, cloud computing and big data to enhance the digitization of its entire business chain by building digital financial services, a digital middle office and digital infrastructure.



### Empowering Financial Technology to Improve Services

The Company insights into market needs, innovates business products and service models, accelerates the process of digitization and intelligent transformation, thus promoting the development of a brand new financial technology ecology.

Main Fields with Fintech Empowerment	Product	Description
Innovating businesses	FICC large trading platform	Building an open platform with trading + risk control + quantization as the core
	Securities Lending Path	Exploring new digital and intelligent models in the securities lending industry and a new industrial ecosystem with interactions
	Speed trading counter	Supporting high-frequent and quantitative trading with extra low time delay
Accomplishing customers	ZhangLe Fortune Path & Global	Meeting the domestic wealth management demands of Chinese around the world with personalized services
	Intelligent marketing platform	Building an online and online integrated marketing platform
	Xing Zhi	Providing one-stop integrated financial services for institutional and corporate clients by exclusive financial services platform for institutional clients
Optimizing operation	Investment banking cloud	Achieving standard and automatic working standards with full online operation
	Asset management platform	Achieving visual risk management and control in the whole process of asset management operation
	Risk situation sensing and control platform	Comprehensively identifying and pooling risks, accurately quantifying and analyzing risks, sensing and alarming on risks in a real-time manner and efficiently interfering with and disposing risk
Empowering employees	AORTA	Consolidating the marketing process management of the institutional business and promoting business development through platform-based manners
	Data middle office	All-link, automatic and intelligent data management service systems
	Digital employees	Effectively solving the penetration of procedures across system with low costs

### “ZhangLe Fortune Path”

“ZhangLe Fortune Path” has been upgraded to version 8.0 to further enhance the platform’s marketing and customer acquisition capabilities and transaction service experience. In 2022, the average monthly activity of “ZhangLe Fortune Path” was 9,268,300, ranking **the first** in the securities company APP.



### Prevention and Control of Information Technology Risks

The Company established a business continuity management mechanism by taking key businesses as a breakthrough, continuing the construction of key resources, enhancing system high availability and disaster tolerance, improving system monitoring coverage and business awareness, upgrading the level of automatic fault disposal, establishing sound closed-loop management of incident problems, substantially eliminating production risks and hidden dangers, so as to successfully complete various important protection tasks. The Company’s information system will operate smoothly overall in 2022.

The Company established an emergency management system for network security incidents, and carried out regular security duty and emergency standby at all times. The Company organized annual assessments and revisions of emergency plans by improving emergency plans for internal and external extreme scenarios, and revising the IT business continuity plan. By relying on the Huatai digital operations command center, the Company carried out the construction of emergency command and dispatch system to enhance the overall emergency response level of the Company.

### Financial Technology Events

#### Organizing the Technology and Financial Innovation Forum Featuring “Moving to New Intelligence”

In September 2022, Huatai Securities joined hands with the WAIC2022 to hold the technology and financial innovation forum featuring “Moving to New Intelligence” to promote the efficient linkage between technology and capital and create an open technology ecology exploration forum. The event attracted a total of 61,000 viewers online and offline.



◆ “Moving to New Intelligence” technology and financial innovation forum

## 5.2 Information Security and Privacy Protection

The Company strictly complied with the Data Security Law (《數據安全法》), the Personal Information Protection Law (《個人信息保護法》) and other relevant laws and regulations, and attached great importance to information security work, served customer privacy protection as a priority and continued to increase the construction of information security and privacy protection, in order to strictly preventing the misuse and leakage of information.



### » Promoting Key Work

The Company has strengthened the information security and customer privacy protection system, and promoted the process of information security and privacy protection through measures such as strengthening privacy protection and securing transactions.

#### Strengthening System Development

##### New Systems for Data and Information Security Management System

Measures on Data Security Management of Huatai Securities Co. Ltd. (《华泰证券股份有限公司數據安全管理辦法》)

Regulations on Data Lifecycle Security Management of Huatai Securities Co. Ltd. (《华泰证券股份有限公司數據全生命週期安全管理規範》) (under development)

Implementation Rules for Intranet Data Extraction of Huatai Securities Company Limited (《华泰证券股份有限公司內網數據提取實施細則》) (under development)

Implementation Rules for Data Destruction Security of Huatai Securities Company Limited (《华泰证券股份有限公司數據銷毀安全實施細則》)

#### Strengthening Information Security and Privacy Protection Construction Work

##### Information Security and Privacy Protection Construction Work

###### Privacy Protection Improvement

- ◆ Engaging an external professional testing team to conduct quarterly privacy policy testing of the key APPs of the Company
- ◆ Setting up a working group on data security and personal information protection under the IT Governance Committee to clearly propose closed-loop tracking of the progress of rectification of problems found in privacy policy testing

###### Transaction Security Guarantee

- ◆ Launching the reduction work for 95597 SMS authentication codes, with each business carrying out the corresponding transformation plan design according to its own needs, and completing the transformation of 24 types of business SMS authentication codes in 2022
- ◆ Launching security risk control in the whole life cycle of software development, including data security assessment, APP privacy assessment, security testing, promotion of APP SMS reduction, database security audit, data leakage prevention DLP, normal data security operation, and so on

###### Information Security Training

- ◆ Improving information security and customer privacy protection training system, enriching training topics, and expanding online and offline channels

## » Strengthening Capacity Building

The Company continued to strengthen information security and customer privacy protection training and diversified online and offline coverage channels, with the aim of enhancing the awareness of information security and customer privacy protection among all employees of the Company.

### Information Security and Customer Privacy Protection Training

In 2022, we conducted a total of **14** trainings related to information security and customer privacy protection, covering security issues such as customer information, employee information, impact assessment and APP privacy compliance and other safety incidents. The training included unified

training for all employees and special training for project managers, safety officers, risk management department, finance department, branches and business departments, platform operation department, operation center, financing and securities department, stock exchange center and agility center, as well as special training for some employees with special authority. There were **2,570** direct participants in the special training.

We organized cyber security awareness training and examinations. There were **12,119** participants who completed the training and examinations in 2022. Among which, the "2022 Cyber Security Awareness Training" (《2022 網絡安全意識培訓》) course was uploaded on the Huatai Securities Cloud Academy and relevant examinations were set up to urge staff to deepen their learning and effectively grasp cyber security knowledge

We organized the Security BP qualification certification to enhance the awareness of cyber security among the business staff of the Company. There were **1,464** persons who completed the training and obtained the Security BP qualification in 2022

We strengthened the awareness of cyber security among all staff of the Company through publicity such as the Official Accounts and the release of H5. There were a total of **15** cyber security awareness promotion activities completed in 2022



◆ Inviting the National Internet Emergency Response Centre to Conduct a Seminar on Cyber Security



◆ Launching a Training Programme on Data Security and Personal Information Protection Awareness under the Theme of "Stability for Long-term Development and Professional Empowerment"

## 5.3 Protecting the Rights and Interests of Customers

The Company strictly abided by the Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》) and other relevant laws and regulations, and systematically popularized the nine rights granted to customers under the Personal Protection Law, including the right to know, the right to decide, the right to restrict or refuse to process, the right to inquire, the right to copy, the right to rectify, the right to supplement, the right to delete and the right to request explanations of the personal information processing rules.

### » Information System Protection

The Company has built a database auditing platform, a network-level data leakage prevention platform, a terminal-level data leakage prevention platform and an application-level citizen personal information abnormality monitoring platform to enhance individual control management, protect the safety of customer information and capital as well as improve the level of information system protection.

In 2022, the Company actively detected and blocked 85,000 cases of fraudulent calls pretending to be Huatai Securities; In addition, the Company strengthened its efforts to accurately combat other counterfeit channels, and seized 373 counterfeit websites, 137 counterfeit APPs, 32 black groups of WeChat or QQ fraudulent groups, and 1,030 cases of false number information.

### » Improving Customer Services

The Company continued to promote the upgrade of customer service center services and the transformation of customer service personnel to professional, intelligent and platform-oriented mode. On top of the comprehensive protection of basic services such as customer consultation, notification return visit, account opening audit and content audit, the Company has achieved a dual improvement on its service efficiency and service experience.

#### The "ZhangLe Fortune Path" - methods for optimizing services for the elderly and special groups

In 2022, the Company adhered to the "customer-oriented" service concept by optimizing service quality and efficiency, improving the people-oriented financial services, and helping the elderly to overcome the "digital barrier".

#### The "ZhangLe Fortune Path" continued to improve the care for the elderly groups, and launched a number of barrier-free care functions as follows:

- Information content supports voice broadcast and
  - ◆ nighttime eye protection mode, allowing senior citizens to read more easily and conveniently, and ensuring that all people enjoy equal rights to information
- Online customer service supports voice questioning
  - ◆ and uploading question screenshots to prevent senior citizens from being unable to receive timely guidance from professionals due to typing challenges
- In response to the elderly population's tendency to have
  - ◆ difficulty seeing or eye fatigue, we support four types of font displays for pages with more text such as push messages and information details, which can be set by customers according to their needs





The Company enhanced the management and supervision of customer consultation and complaints, formulated the "Huatai Securities Customer Service Specification" (《華泰證券客戶服務規範》), and provided round-the-clock services through the official customer service hotline 95597, online consultation and intelligent robots. Meanwhile, the Company has set up various channels such as official website and offline branches to receive customer inquiries and complaints, and standardized various links of customer complaints such as complaint acceptance, complaint processing, complaint feedback and return visit, so as to clarify the division of responsibilities among various units and effectively improve the processing efficiency.

## 5.4 Strengthening Investor Protection

The Company implemented the relevant requirements of the regulators on investor protection and investor education by focusing on the full integration of investor education and protection into the whole process of daily business and increasing the construction of investor education to continuously enhance the awareness of investors on risk prevention.

### » Anti-fraud Publicity

The Company actively launched various fraud promotion activities to effectively protect the legitimate rights and interests of investors.

#### Launching Anti-Fraud Publicity and Education

Huatai Securities exploited online new media platform to innovate publicity on illegal activity prevention and fight. In 2022, the Company, by cooperating with the departments of securities supervision, public security and radio and television, and successively organized two major live-streaming activities, such as "Say NO to Illegal Securities Practices", "Follow the Police to Counter Fraud - An In-depth Analysis of Fraudulent Investment and Wealth Management Fraud", jointed with the Provincial Department of Public Security, which attracted more than

700,000 viewers and over 2 million interactive comments, reaching a record high for the Company's investment education promotion.

The series of live broadcast activities, as the pioneering work of online anti-fraud live broadcast in cooperation with the securities industry and public security authorities, was reported by nearly 40 media outlets, including China Securities Journal, Xinhua Net, China Economic Network and Yangtse Evening Post, and was covered by the "Nanjing Zero Distance" program of Jiangsu City Channel, achieving good results in anti-fraud publicity.

### » Investor Education

#### Investor Education Channels

The Company has enriched investor education channels, expanded its investor education service network, driven the internal recycling of the shared space for investor education, and broadened the diversity and scope of its investor education brand.

Online	Building a full-channel matrix covering "audio broadcasting", "video broadcasting" and "text interaction"
Offline	Strengthening the in-depth cooperation with multiple resources such as local regulatory agencies, special media organizations, public welfare organizations, multiple universities, middle schools and primary schools, local community organizations and third-party cross-border organizations by relying on the special service positioning of each investment and education base, on the basis of active operation and joint operation

### Investor Education Base

In 2022, the Company's new-generation investor education base network was further expanded, forming an operational network of investor education bases with national-level investor education bases as the main base, internet investor education bases, provincial-level investor education bases and university investor education corners as a whole. In addition to undertaking investor education and protection functions, each investment education base has gradually formed its own distinctive service positioning, and has established an investment education service network and operational alliance with different functional positioning in key regions across the country, which expanded the influence and radiation of the Company's investment education services.



◆ Knowledge Experience Store of Nanjing Investment Education Base



◆ Investment Education Base Activity Operation (Public Investors)

### Investor Education Activities

The Company closely followed the key points of regulation and business hotspots, and launched a series of activities with the themes of "3.15 Investor Protection Theme", "4.15 National Security Education Day" and "5.15 Investor Protection Day", "The Month of Illegality Fighting and Illegality Prevention", "Financial Knowledge Popularization Month", "World Investor Week" by linking all provincial-level bases and branches nationwide. Through interactive games, knowledge quizzes, cloud-based learning, live exchanges, radio links and other online platform-based service activities, as well as offline non-gathering activities such as flash mobs and card punching, enriched the campaign participation, expanded the coverage of the campaign thus to enhance investor education.

#### Youth Financial and Commerce Intelligence Experience Activity Featuring the "Little Wealth Management Talents" Theme

In 2022, Huatai Securities polished the content of the original youth series for the youth in the elementary education stage, and released the drawings of original IP series of "The Journey of Wealth Management" (《财赋之旅》), animation and board games on the occasion of "5.15 National Investor Protection Publicity Day", and simultaneously launched the "Little Wealth Management Talents" youth financial and commerce experience supporting activities to launch of a number of interesting financial education and practice.



◆ "Little Wealth Management Talents" Activities

## » Financial Knowledge Popularization

In order to better adapt to the characteristics of fund management behavior and media habits of the new generation of customers, the Company has actively joined hands with external organizations to launch various activities, seeking to popularize investment concepts and optimize investment services through a more relaxed and humorous content and format.

### The “Fund Raising Rally” Program

In February 2022, Huatai Securities launched the program “ZhangLe Investment for Security - Fund Raising Rally” (漲樂省心投—養基人大會), inviting famous domestic talk show teams and investment advisor representatives to participate in the program, realizing the first cross-border cooperation between talk shows and fund investment advisory business, which gained widespread attention from the public and young people on investment.



◆ The “Fund Raising Rally” Program

Focusing on the client’s position, the Company has set up a Shengxin (worry-free) Research Institute for Buy-side Investment Research Service Centre under its Financial Products Division, which is dedicated to becoming an investment think tank for the public by answering clients’ genuine investment concerns in an easy-to-understand manner while maintaining professional research. In 2022, the Institute held **145** live investment education events, produced **1,160** videos, and sent out **950** articles, with a total of over **6.5** million views and video plays.

## 6. People-oriented Philosophy and Growing Together with Employees

Huatai Securities has always regarded the growth of employees as one of the core elements of the Company's development, thoroughly implemented the international talent introduction and cultivation strategy, provided employees with a perfect talent cultivation mechanism, scientific career advancement channel, sound welfare protection system and reasonable incentive measures, and enhanced employees' sense of identity and belonging to the Company. In 2022, the Company released the Statement of Employee Rights and Benefits of Huatai Securities Co., Ltd. (《华泰证券股份有限公司員工權益及福利聲明》). The statement serves as a framework document for the protection of employees' rights and interests and reflects the people-oriented management philosophy of the Company.

### Performance Highlights in 2022:

Annual number of participants on the HTSC Cloud learning Platform reaching	total learning hours of	the average learning hours of employees on that platform reaching	Consoling employees who got married, were hospitalized or had family loss, and insisting on visiting employees with family in difficulties on New Year's Day, Spring Festival and other festivals, accumulating
<b>1.4</b> million	<b>360,000</b> hours	<b>39.20</b> hours	<b>190</b> times for consolations throughout the year

### 6.1 Protecting the Rights and Interests of Employees

#### » Regulation of Employment Management

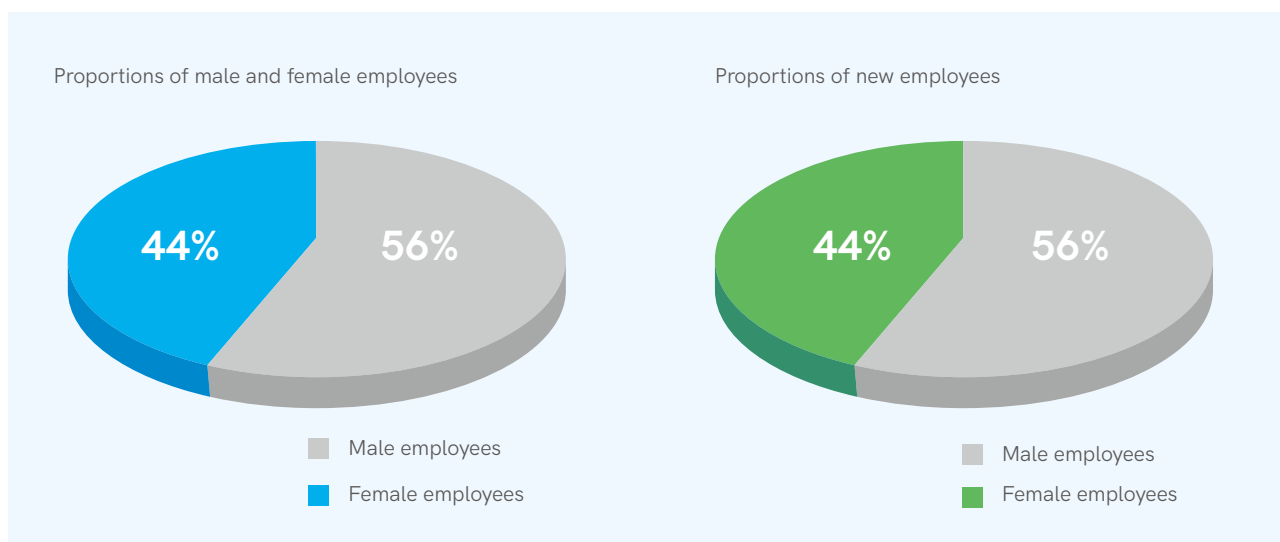
The Company strictly observed the relevant national laws and regulations, provided equal employment opportunities to employees, resolutely opposed employment discrimination, and ensured that employees' employment and career development were not affected by any factors such as race, faith, gender, religion, nationality, ethnicity, age, marital status and social status.

#### Staff Employment Management

<b>Recruitment and dismissal</b>	Regulating procedures for active and passive resignation of employees in accordance with the Administrative Measures for Employees, signing labor contracts with all employees according to law on an equal and consultative basis and regulating procedures for employee resignation and dismissal
<b>Equal employment</b>	Firmly opposing discrimination in employment and ensuring fair employment and occupational development not be affected by race, belief, sex, religion, nationality, ethnic group, age, marital status, disability, social status, etc.
<b>Promoting diversity</b>	Paying attention to the employment of female candidates and minority ethnic candidates, and providing equal and fair employment opportunities for female candidates and minority ethnic candidates. The Company is committed to creating an equal and diverse employment environment. The proportion of female new employees continued to increase in 2022
<b>Working hours and holidays</b>	Clearly specifying working hours according to the Administrative Measures for Attendance of Employees and ensuring that all employees were entitled to public holidays, public holidays and other vacations as prescribed by the country
<b>Preventing child labor</b>	Strictly observing the Law on the Protection of Minors (《未成年人保護法》), the Provisions on the Prohibition of Using Child Labor (《禁止使用童工規定》) and other laws and regulations, by strictly verifying employees' information to resolutely refuse recruitment of child labor
<b>Avoiding forced labor</b>	Examining employees' work intensity on a regular basis to avoid the occurrence of forced labor

The Company strictly abided by laws and regulations such as the Law on the Protection of Minors and the Prohibition of Using Child Labor, strictly verified the identity information of employees, and resolutely eliminated the recruitment of child labor. The Attendance Management of Huatai Securities Co., Ltd. (《华泰证券股份有限公司考勤制度》) is formulated to clearly stipulate the working hours and regularly check the work intensity to avoid the phenomenon of forced labor. In 2022, no confirmed event concerning illegal employment and labor was found in the Company.

#### Employee Diversity Performance in 2022:



Note : Due to the internal policies of corporations in the United States, the above statistics do not include those of AssetMark.

#### » Talent Introduction Management

In 2022, the Company focused on building a branded and ecological recruitment operation system to deepen the market influence of employer brand and enhance the attractiveness of talents. We made forward-looking planning of talent layout, continued to increase the introduction of talents in core and emerging fields, enhanced the thickness of talents and improved the competitive advantage of talents. By focusing on the introduction of young talents, the scale of fresh graduates in the annual school recruitment increased by **30%** compared to the previous year.



#### FINTECH Technology Talent School Recruitment:

Based on the "4+1" campus recruitment program system, "FINTECH Financial Technology Challenge", the first financial technology challenge in the brokerage industry, has been added as a special program aiming at employer branding and talent pooling. As the first financial technology challenge in the brokerage industry, FINTECH strengthened the technology talent pool of the company.



### Live Streaming of “The Shining One” Job Hunting Season:

We continued to leverage the benefit of “The Shining One” entertainment IP brand, deepened our school recruitment promotion around the “shining one” concept, and planned and launched the “Live Streaming of Job Hunting Season”. The live broadcast was watched online by more than 600,000 netizens on Weibo and video ends, forming a good example of interactive branding and resource sharing between entertainment and school recruitment.



### “Shining Vlog” :

Launching a series of promotional activities such as shining aerial presentation, “shining Vlog” “micro” presentation, shining broadcast, and so on, to comprehensively display the core advantages in terms of business, culture, talent system and other dimensions. The series of Vlogs received over 60,000 plays on “Huatai Securities Recruitment” WeChat Public Account.

### “It’s Time to Strike a Chord!” New Campus Recruitment Employer Branding Campaign Video:

The campaign received 47,000 plays on WeChat Public Account and Video end, and the quantity and quality of the applications increased significantly in the fall of 2022.



### Investment Advisor Recruiting Special Series Live Broadcast:

With the theme of “Career Time Machine” and “Life Wealth Map”, two investment advisor recruiting special series live broadcasts were held, which were synchronized through multiple channels such as the external platform, the internal platform of “ZhangLe Fortune Path” and the recruitment video account of Huatai Securities. The live broadcast promoted the influence of the employer brand and conveyed the Company’s wealth management concept, with nearly 80,000 viewers in total.

### Deepening Cooperation between Schools and Enterprises

The Company is deeply involved in the whole process of cultivating students in domestic institutions, exploring new modes of school-enterprise cooperation, and has signed cooperation agreements with Nanjing University and Southeast University to jointly build employment practice bases and joint talent cultivation programs, and continued to broaden the connotation of school-enterprise cooperation around talent cultivation, cooperation in scientific research projects, student internship practice, and joint innovation projects.



◆ Signing Ceremony for Co-establishment with Southeast University

### » Employee Satisfaction Survey

The Company conducted the survey on "listening to employees' voice" to explore the key factors affecting employee commitment through anonymous questionnaires on three dimensions of thought, behaviour and attitude, and focusing on researching working environment, internal atmosphere and human resource management. The survey result in 2022 showed that the employee satisfaction rate of the Company was **85.9%**, higher than the market average, and **increased for three consecutive years**.

In addition to regular voice surveys, extensive employee surveys had been conducted in human resources fields such as employee care, attendance management, system revision, and training development to listen to employee opinions and optimize human resource management. The average score of various employee activity satisfaction surveys was above 4.8 points (full score of 5 points)

### » Enhancing Communication with Employees

The Company continues to carry out a monthly activity of "Employee Reception Day", and the leaders of the Company are responsible for the reception of employees in person to understand their demands and opinions, better listen to employees' voices by solving their demands, and encourage employees to offer advice and suggestions, thus to promote the construction of the corporate culture of the Company.

#### "Colleague Bar (同事吧)"

"Colleague Bar" is our internal instant messaging APP which is designed to provide a platform for our employees to enhance communication and exchange.

**Setting up a special column in "Colleague Bar":** collect and send feedback from the column in "Colleague Bar" to the relevant responsible departments in a timely manner with clear response and implementation, thus to achieve responses with efforts and results

**Opening a special post of "Freely Talk Inner Voices, Offer Help with Same Empathy (暢談心聲 共情同力)" in "Colleague Bar":** the Company's leaders interact with our employees on such platform and respond to their suggestions and demands from offline or online. For the problems that cannot be solved on site or online, the Company's office will promptly give feedback to relevant departments and reply within 3 days.

### Employee Representatives Conference

The Company adhere to regard the employee representatives conference as the basic form and major method for democratic management. In 2022, the Company convened two employee representatives conferences in total, and continued to conduct statistics of and response to the opinions from employee representatives. The employee representatives conferences successfully completed the election of new employee representatives Directors and new employee representatives Supervisors, and solicited comments on systems including the Staff Attendance Checking System of Huatai Securities Co., Ltd. (《华泰证券股份有限公司員工考勤制度》), the Measures on Staff Management of Huatai Securities Co., Ltd. (《华泰证券股份有限公司員工管理辦法》) and the Measures on Staff Management at the MD Grade of Huatai Securities Co., Ltd. (《华泰证券股份有限公司 MD 職級管理辦法》).



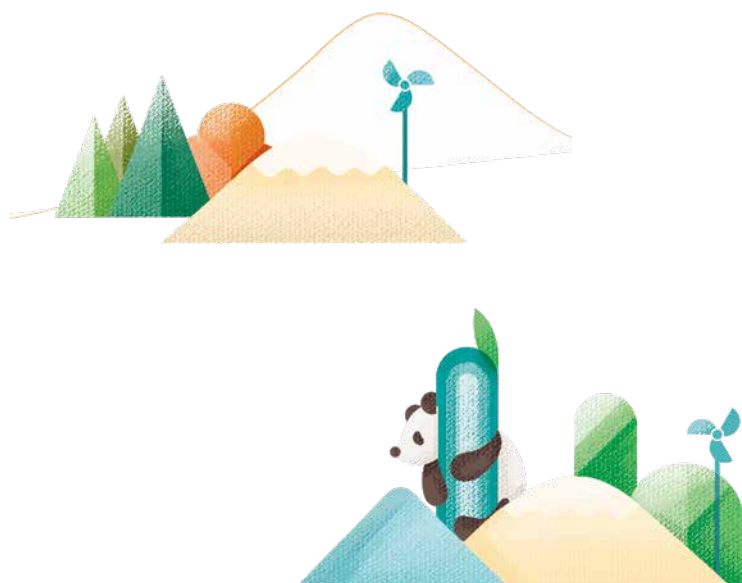
## » Caring for Employee Health

The Company handles social insurance and provident funds for our staff in accordance with the laws, including endowment insurance, medical insurance, unemployment insurance, maternity insurance, work injury insurance and housing provident fund. The Company established the T.AI Health Healthcare and Benefits Scheme, covering commercial supplementary medical insurance and benefits at employee's discretion. In terms of benefits at employee's discretion, each employee chooses to purchase the insurance and benefits at his/her discretion, covering his/her parents, spouse and children. The Company raised the physical standards for employees in employees' annual physical examination by optimizing the physical examination program and improving the service quality across all procedures.

In 2022, the Company did not experience any non-compliance related to employees' occupational health and safety.

### Safeguarding Office Safety

The Company formulated and issued Notice on Effectively Enhancing Safety Work of Fire Fighting in Office Area (《關於切實加強辦公區域消防安全工作的通知》) to strengthen safety work of fire fighting in office area. It also organized fire evacuation drill and educational training of firefighting on a regular basis, so as to publicize firefighting knowledge, raise the fire safety awareness of employees and improve their self-help ability under emergency.



### "T.AI Love Health Healthcare Month (T.AI 愛 Health 健康關懷月)" Activity

In 2022, the Company carried out "T.AI Love Health Healthcare Month" Activity

The Company continued to upgrade and iterate the supplementary medical reimbursement system, launching "Online Supplementary Medical Reimbursement System" on Link's "Staff Self-services" to meet the employees' needs for one-stop claim settlement and reimbursement enquiry services

The Company strengthened the employees' awareness of "health care and management" by various innovative value-added services including "Experience Day of High-tech (黑科技體驗日)" and the online consultation service of "Health Manager (健康管家)" to optimize employees' experience and effectively improve the employees' welfare awareness and well-being

The Company invited the experts from the Provincial Red Cross to conduct first-aid knowledge training to improve their first-aid awareness and enhance the self-help and mutual rescue ability



◆ First-Aid Knowledge Training Activity

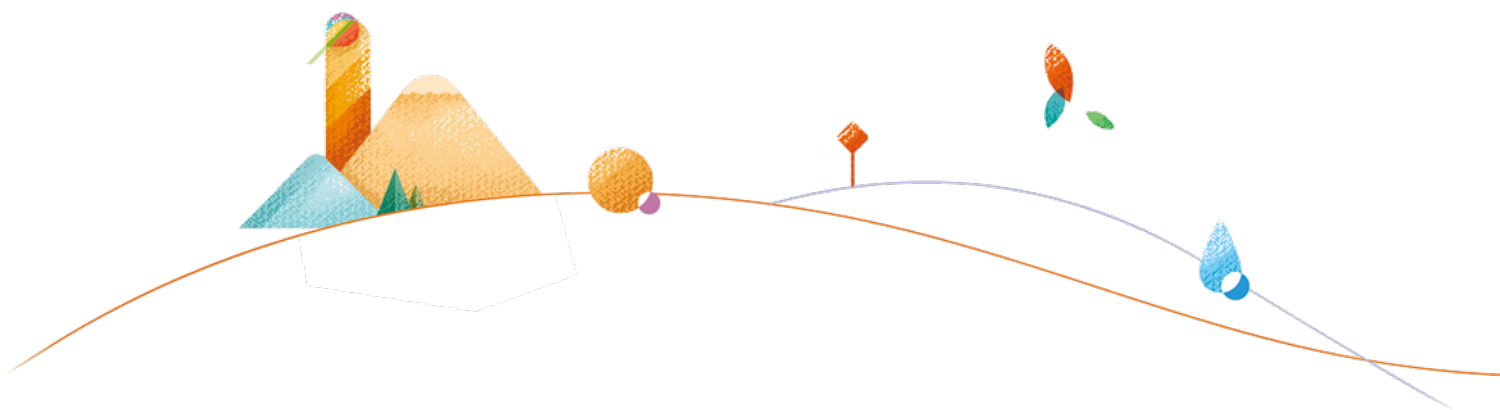
## 6.2 Empowering the Development of Employees

### » Employee Promotion and Growth

#### Employee Promotion

The Company focuses on employee experience and perception improvement, and promotes the construction of grade operation system.

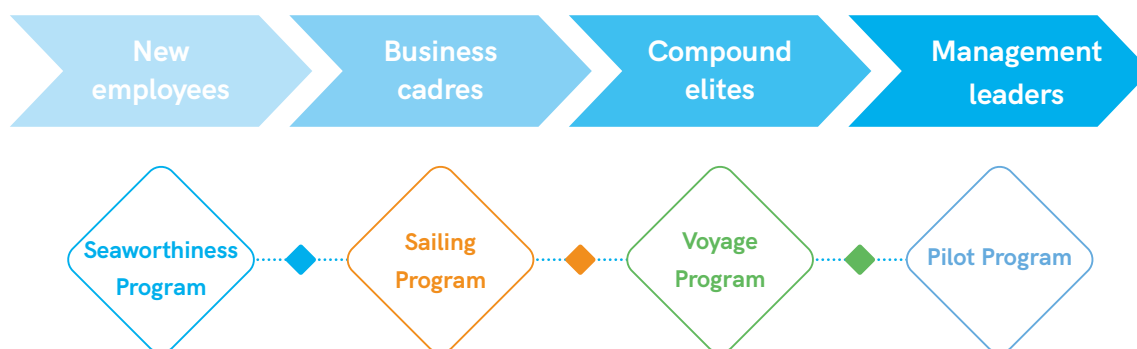
Online qualification standards	Launching qualification standards on the “Staff Self-Services — My Career” model with view to develop the grade awareness and comprehensively improve staff perception
Promotion of grade management philosophy	Promoting the grade management philosophy by launching article promotion and other related works In line with the annual grade adjustment
Establishment of grade operation system	<p>Establishing the MD grade system based on the comprehensive capabilities and value contribution, contributing more resources to employees with outstanding performance and contributions, and providing career growth spaces matching their capabilities and contributions, on the basis of equality and fairness</p> <p>Resolving to break the conventional thinking for balanced care, seeking to be perfect and among others, adhering to the principles of possession of both integrity and capability, focusing on effective performance and public recognition, and encouraging to utilize high-quality and professional talents</p>



## Employee Training System

The Company amended and improved the Measures for Training Management of Huatai Securities Co. Ltd. (《华泰证券股份有限公司培训管理办法》), and by focusing on three major training topics featuring professional improvement, sector expansion and leadership development, the Company continues to optimize the talent cultivation system based on the whole life cycle for talent growth, including the "Seaworthiness Program" for new employees, the "Sailing Program" for business cadres of branches, the "Voyage Program" for outstanding young talents at the headquarters and the "Pilot Program" for middle management backup employees, fully meeting employees' development demands in different stages of career.

## Talent Training and Development System for Huatai Securities



The H Talent talent development system of the Company continues to focus on employee growth, and has offered corresponding training programs for each stage of their career and established a development empowerment system covering the whole career of employees, including three series of training programs, namely the Huatai "STAR", the "HIPO" for mature employees and the "BAL".

## Talent Development and Empowerment System

Training programs	Subjects	Training target
Huatai "STAR" series	Students recruited from campus	Cultivation of employees with a deep understanding of the Company's businesses across whole business chain and with the quality as an international investment banking employee should have
"HIPO" series for mature employees	Core cadres with potential	Cultivation of multi-shill elites and talents for the future
"BAL" series	Middle and junior management	Improvement of the leadership and the comprehensive managerial ability of middle and junior management

### Trainings on Leadership

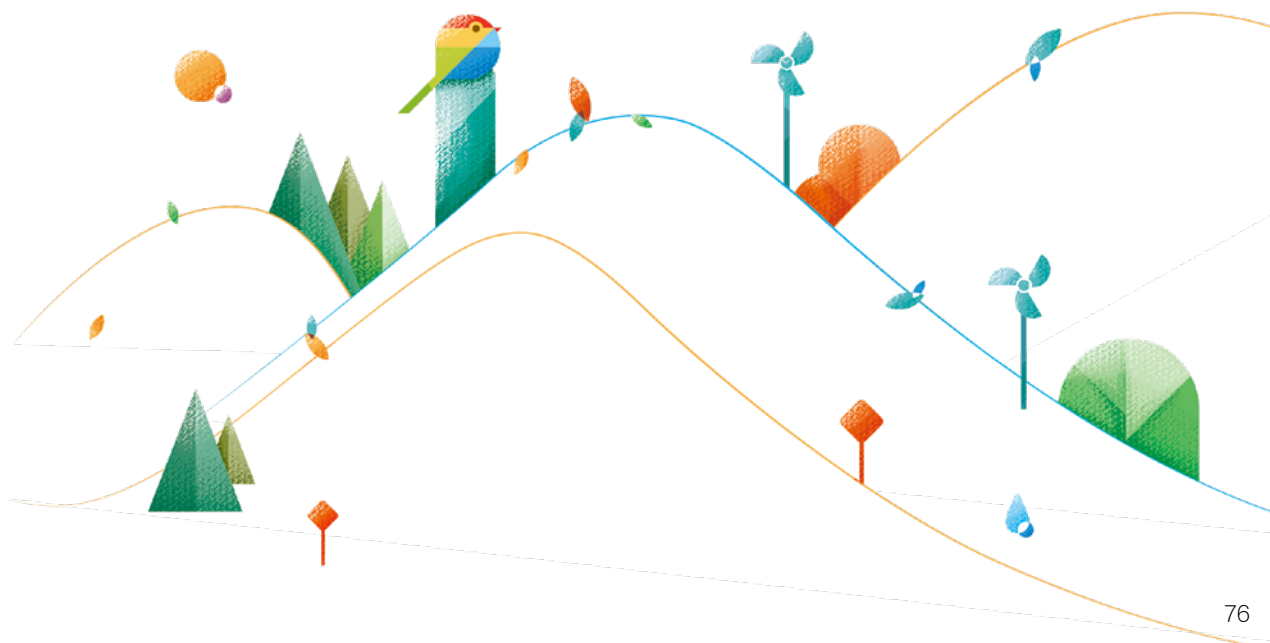
With the target to improve the leadership and comprehensive managerial ability, the “BAL” series of the Company is the cultivation program dividing management at different levels into “relayers, climbers and leaders” (the “relayers”, “climbers” and “leaders” are targeted at new junior management, mature junior management and middle and senior management, respectively), with an aim to cultivate a management echelon meeting the strategic demands of the Company.

#### Promotion of Leadership and Managerial Ability Improvement Through “BAL” Series of Training Programs

From September to November 2022, the Company launched the “BAL” training programs for new team leaders at the headquarters. Taking into account the new requirements for the management of the Company’s employee team in the new era, the Company supported the rapid transformation of new team managers, enhancing culture impart, target management, performance guidance and communication encouragement for the staff by introducing management tools with strong feasibility. The program was carried out in 2 sessions, and trained 80 junior management cadres of the Group in total. Each participant received quantifiable all-round assessment on management conducts and targeted development suggestions.



◆ “Relayers” Training Program for BAL



## Trainings on Professional and Business Capabilities

Focusing on the two-pronged technology-empowered strategy, the Company has established the training systems covering the whole business chain including “wealth management, institutional business, technology empowerment and international business”. It launched multi-layered digital talents cultivation programs for “digital employees, technical talents, compound talents and leading talents” and carried out overseas training programs and overseas communications activities with an aim to improving employees’ business capabilities and professionalism and cultivating their international horizon.

### Cooperation with External Educational Institutions to Cultivate Compound Fintech Talents

The Company and the Geek Time (極客時間) jointly organized a “HIPO Talent Cultivation Program” and Compound Fintech Talent Cultivation Program for 2022, with a view to cultivate compound fintech talents with business structuring capability, product operation capability, data analysis capability and junior leadership, establish the digitalized ability model for compound talents and guide the staff recruitment and development.



◆ HIPO Talent Cultivation Program



### Promotion of International Presence Through HTSC Financial Express Online Forum

In October 2022, the Company launched three HTSC financial express online forums. Focusing on the strength businesses of Huatai International and tracking the innovative business hotspots, the Company organized three training sessions in terms of cross-border sales and transactions, derivative business over the counter and overseas FICC business to improve the staff's forward-looking insights and macro-thinking, as well as deepen the integrated cross-border cooperation of the Company.

◆ Posters for HTSC Financial Express Online Forum

## Digital Learning Development System

The Company fully leverages its digital means to cultivate talents, and by relying on the online learning platform, the Company has established a digital learning development system with the integration of “digital learning content + digital learning users + digital learning activities” and comprehensively implemented the H Talent digitalized learning system both online and offline, so as to comprehensively improve the comprehensive quality of employees.

Key aspect	Specific content
Digital learning content	<ul style="list-style-type: none"> <li>The Company established eight online academies of “Full Career and Full Business Chain”, including the Huatai Star · Growth Academy (華泰星·成長力學院), the Huatai Pai · Execution Academy (華泰派·執行力學院), the Huatai Intelligence · Leadership Academy (華泰智·領導力學院), the Wealth Management Academy, the Institutional Investment and Research Academy, the Digital Empowerment Academy, the Party Construction Academy, the Compliance Academy, in which staff integrated their own career development stages and business learning needs of their positions for continuous learning and upgrading.</li> <li>The Company added <b>794</b> internal courses and launched 43 serial special topics including “Zhangle Star Creator (漲樂 Star 創作者), Yandao Chief Lecture (研道首席大講堂), Institutional Wealth Management Series, Joint Bonds Underwriting Series”.</li> <li>The Company introduced the financial CFA courses of Tsinghua University to inject the financial DNA into all staff due to the increasingly diverse background of the Company’s staff.</li> </ul>
Digital learning users	<ul style="list-style-type: none"> <li>The Company completed the online transformation of offline projects and launched 42 online-offline hybrid training projects including the Huatai Star (華泰星), the Star Career Social Recruitment for New Employee (星途社招新員工), the PIE Core Cadre (PIE 核心骨幹), the BAL (BAL 星戰營), the Investment Advisory Star (投顧星勢力) and the Financial DNA - Huatai CFA Camp (金融 DNA- 華泰 CFA 訓練營), to establish a full learning process covering course learning, knowledge cards, assignment submission, insights and experience, and to improve the online learning experience of staff.</li> <li>The Company provided customized and intelligent learning solutions for staff and developed the “Courses Suggested by Superior” function in addition to the “Intelligent Course Determination”, where the superiors could recommend targeted courses for the inferiors based on their understanding on the inferiors’ capabilities.</li> </ul>
Digital learning activities	<ul style="list-style-type: none"> <li>The Company realized regular operation and monthly launched the H Talent Insight Learning Themed Month. In 2022, the Company organized various learning themed activities including the Shining Huatai Mother, the World Book Day, and the Thanksgiving to Career Tutor.</li> <li>The Company held the High Learning Online Carnival Learning event and launched five major activities of Refresh Your Cloud Academy, Refresh Your Exposure, Refresh Your Professionalism, Refresh Your Implementation and Refresh Your Awareness.</li> </ul> <div data-bbox="837 1390 1380 1757"> </div> <ul style="list-style-type: none"> <li>High Learning Online Carnival Learning Activity</li> </ul>

In 2022, the participants on HTSC Cloud Learning Platform per year were **1,400,000** with total **360,000** hours namely the average learning hours of per employee amounting to **39.2** hours.



**Supporting Employees for Continuing Degree Education and Professional Qualification Certifications**

To support the skill improvement and career development of employees and regulate the practice of securities and fund practitioners of the Company to meet the requirements for industrial development, the Company organized and continuously strengthened training on laws and regulations, practice code of conducts, business knowledge and professional skills and other aspects. The Company also reimbursed them for relevant training fees, raising their comprehensive quality and awareness of incorruptible employment and honest expansion of

business.

By providing reimbursement of fees and learning credit incentive, the Company encouraged all employees to participate in external training, qualification tests and title appraisal recognized by competent securities institutions and the industry as well as on-job courses of continuing degree education, so as to systematically improve their comprehensive quality and professional level. The Company further supported employees participating in the study for more high-quality professional qualification Certifications.

## 6.3 Motivating Employees

### » Welfare Security

The Company has established a standardized, market-oriented and humanized welfare security system to effectively satisfy the needs of employees for multi-level and personalized welfare security, while also earnestly safeguard the basic rights of employees. The Company continued to improve the welfare security system for all full-time contract employees and contractors. In addition, it ensures that labor contract employees and labor dispatch employees enjoy the right to take leave on public holidays and legal holidays as stipulated by the state, and have purchased commercial casualty insurance for labor dispatch employees thus to continually improve the rights and interests guarantee of dispatched employees.

**Welfare System**

Key aspect	Specific content
<b>Welfare system</b>	"Six insurances and two funds" composed of endowment insurance, medical insurance, unemployment insurance, maternity insurance, work injury insurance and supplementary medical insurance, and housing provident fund and enterprise annuity fund
<b>Endowment insurance</b>	Constructing a two-pillar pension security system composed of "basic endowment insurance + corporate annuity fund"
<b>Medical security</b>	Constructing a three-pillar medical security system composed of "basic medical insurance + supplementary medical insurance + optional benefits", and purchasing commercial supplementary medical insurances for spouse and minor children of employees to provide comprehensive medical security for employees and their families
<b>Employee care</b>	Employee Assistance Program (EAP), dispatched employee care, anniversary care for employees joining the Company, birthday care, festival gifts and education-themed activity
<b>Union benefits</b>	Festive food sponsoring, birthday celebration, daily visit to employees, difficulty assistance for employees, annual medical examination, cultural and sports activity, education-themed activity, female employees care, etc.

In order to safeguard the effective implementation of comprehensive risk management and compliance management, and to enhance the binding effect of remuneration management, the Company will severely deal with any significant compliance risks, violations of laws and regulations as appropriate, including but not limited to the suspension, recourse and withholding of bonuses, allowances, medium- and long-term incentives, among other things.



## » Performance Appraisal

The Company adheres to the goal-oriented performance concept and the principle of fair and objective evaluation to continuously improve the business ability and comprehensive quality of employees and promote the mutual development of employees and the Company through the goal setting of employees' performance, the tracking and guidance of performance process, the assessment of performance and the feedback of performance results. In 2022, the relevant

assessment coverage rate for employees of the Company receiving regular performance reached **100%**.

The Company constantly conducts industry survey and internal interviews and research on performance management to cater for the Company's strategic direction, introduces excellent industrial practices on performance management and prospectively optimizes performance management system.

Performance Management Link	Specific Measure
<b>Performance appraisal procedure</b>	The performance evaluation is conducted on an annual basis, covering performance evaluation, 360 comprehensive quality evaluation and compliance risk control assessment
<b>Performance feedback procedure</b>	The Company will continuously provide management with theme-based training and digital tools support for performance management by improving performance management capabilities and leadership, raising employee performance levels, and realizing the positive guidance role of performance evaluation
<b>Performance grievance procedure</b>	Employees dissenting on the results of the performance appraisal may make performance appeal and the Company will timely investigate the appeal case and form an opinion from investigation while applying strict confidentiality throughout the whole grievance escalation procedures

## » Equity Incentives

The Company establishes and improves a medium and long-term incentive and restraint mechanism, gathers scarce, leading and high-end talents of cutting-edge businesses and promotes the concept of sustainable development with employees. Based on relevant laws, regulation and policies, the Company implemented the Restricted Share Incentive Scheme of A Shares for senior and middle management and core key employees in April 2021, which fully demonstrated the concept of benefits sharing and sustainable development with employees, so as to further stimulate the market-oriented organizational vitality.

## » Honor System

The Company launched the "Starlight Huatai Shining in the Future" (星光華泰 閃耀未來) honor recognition activities, and further optimized the recognition award settings on the basis of the existing honor recognition system, thus to create a positive environment for organization, and comprehensively enhanced the cohesion, synergy and morale of the talent team.

### New Honor Awards in 2022



For teams or project groups that actively promote cross-department synergy or actively implement platform-based and ecological approaches coupled with remarkable results in the whole business chain process



For veteran employees joined the Company for over 15 years who have been in their positions for a long time and are diligent, pragmatic and selfless.

## 6.4 Enriching Employees' Life

The Company encourages employees to actively participate in national fitness sports, and organizes and plans various kinds of rich and colorful cultural and sports activities and interest groups to continuously enhance the sense of belonging and identity of employees. In terms of female employee care, the "A Week for Goddess Season" series of events are launched to guide employees to edify their spirits and devote themselves into work and life with a more vigorous and upward spirit.

The Company cares for its employees by strengthening special care for employees in hardship, implementing dynamic tracking management of the database of said employees, providing timely condolences to employees who get married, are hospitalized or have suffered family decease, and insisting on visiting employees in need on New Year's Day, Spring Festival and other festivals, with visiting 190 employees in need throughout the year.



◆ Flower arrangement in celebration of the Women's Day

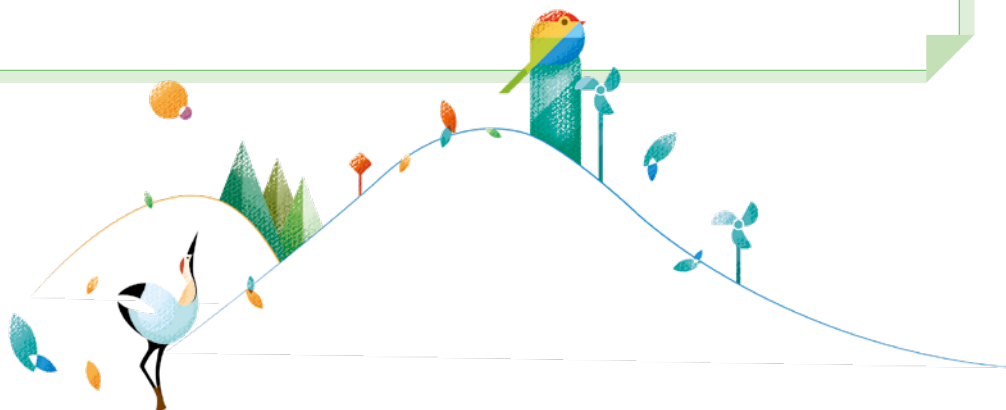
### » Employee Care Projects



◆ Anniversary Care Activities

#### An Anniversary Caring Project Theming "Thank You for Being With Us All Along"

The Company launched a warm winter anniversary activity for gas station staff joining the Company, connecting long-serving employees and new employees of Generation Z, conveying the concept that employees and the platform grow and gain together, enhancing the stickiness of employees, and increasing their sense of identification with the Company.



## 7. Implementing the Concept of Sustainable Development by Ensuring Steady and Sustainable Growth

Huatai Securities continues to improve its corporate governance structure and system development by strengthening compliance, enhancing comprehensive risk management and building corporate culture to ensure sound development of the Company.

### Performance Highlights in 2022:

The Company was rated highest-level **A** Class in the 2021-2022 information disclosure evaluation of listed companies by Shanghai Stock Exchange.

The Company launched **48** legal compliance campaigns throughout the year.

### 7.1 Development Guided by Party Building

The Company has taken the initiative to adapt to the new requirements of quality development and strengthen the awareness of quality Party building to provide a strong organizational guarantee for the Company's in-depth promotion of the dual-drive development strategy. In 2022, the Company created a new vehicle for the integration of Party building and business, by implementing the "Integration for Gathering Strength" common actions for Party building in pairs, and organizing and guiding grass-roots Party organizations to extensively carry out common actions for Party building in pairs with business partners, party and government organs, development parks and street communities. Since its launch in April 2022, the Company's grassroots Party organizations have paired up with 188 enterprises and institutions for common Party building, set up 34 pioneer groups of Party members, carried out 400 activities, implemented 40 practical projects for the citizens, and facilitated 71 cooperation projects involving an amount of RMB 31.844 billion, thus realizing the dual enhancement of Party building and business work.

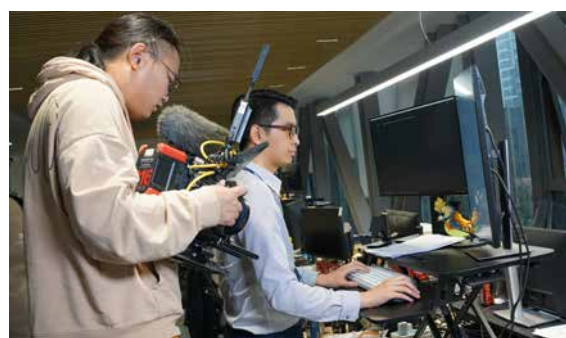


◆ "Integration for Gathering Strength" common actions for Party building in pairs

### "Light Chaser" in Party Building Brand

The Company continued to build the "Light Chaser" Party building brand, filming the "Light Chaser III" Party building feature film, highlighting the advanced culture of the Party, and gathering the surging power of high-quality development through the joint efforts of the Party, workers and league member and the interaction of Party affairs and business.

The Company designed and compiled an annual report on Party building, summarizing the work of Party building throughout the year, presenting the effectiveness of the Company's comprehensive and strict governance of the Party in a multi-faceted, multi-level and panoramic manner by adopting a combination of text, graphs and tables, and interpreting the rich connotation of the Company's Party building with organization, activities, functions and influence.



◆ Shooting Bloopers of Party Construction Feature Film for "Light Chaser III"

The Company carries out rich and diversified Party building activities, enriching the form of Party building activities by organizing staff learning, participating in competitions, and reading books, so as to strengthen the commitment of the mission, inherit the red gene and draw its spiritual strength.



◆ Implementation of the Public Theme Reading Activity of "Reading Refreshment Ushering into State-owned Enterprise"



◆ Winning the Second Prize and excellent Organization Award in the Compensation of "Welcome the 20th National Congress for a new journey 2022 in 'Learning to Strengthen - Learning to Master' in Jiangsu"

## 7.2 Improving Corporate Governance

As the first domestic securities company listed in Shanghai, Hong Kong and London, the Company has been operating business in a standard manner and in strict compliance with the requirements set forth in the laws, regulations and regulatory documents of the PRC and the overseas jurisdiction where the shares of the Company are listed, and has made efforts to maintain and enhance the good image of the Company in the market.

### » General Meeting, the Board of Directors, the Supervisory Committee and senior management

The Company conscientiously implements the Company Law, the Securities Law, the Standards for the Governance of Listed

Companies (《上市公司治理準則》) and other documents and has established a system of modern enterprise organization and an operation mechanism with the General Meeting, the Board of Directors, the Supervisory Committee and the senior management. The Company has formulated and improved the Rules of Procedures for General Meetings, the Rules of Procedures for the Board of Directors, the Rules of Procedures for the Supervisory Committee, the Terms of Reference of the CEO and the Executive Committee and other regulatory documents and internal systems. It follows the principles of independent operation, effective checks and balances, mutual cooperation and coordinated operation of various governance bodies and continuously improves the operation mechanism of the Meetings and the management to improve its corporate governance efficiency.

<b>General Meeting</b>	The General Meeting is the organ of the highest authority of the Company. The Company convenes and holds shareholders' general meetings in strict accordance with the relevant provisions of the Articles of Association and the Rules of Procedures for General Meetings to ensure the equal status of all shareholders and enable them to exercise their rights completely.
<b>Board of Directors</b>	<p>The Board of Directors of the Company has followed lawful and effective procedures in considering connected matters, and independent directors have expressed their independent opinions. The Working System for Independent Directors has been revised and improved to ensure that all the independent Directors have independently and objectively worked to protect the legitimate rights and interests of the Company and its shareholders. In 2022, the related-party transactions of the Company were fair and reasonable, and no circumstances impairing interests of the Company and shareholders have been found.</p> <p>The Company considers the diversity of Board members in several aspects, including but not limited to gender, age, cultural, educational background, professional experience, skills and knowledge and employs appropriate candidates in a scientific and reasonable manner. As at the Reporting Period, there were total 13 members of the Board of Directors of the Company, including 3 executive directors, 10 non-executive directors, and the Board of Directors includes 11 male members and 2 female members. Members of the Board of Directors came from the finance, economics, accounting and legal industries. The non-executive directors of the Company do not hold any shares of the Company.</p> <p>The Company has established the Audit Committee, the Nomination Committee, the Remuneration and Appraisal Committee, the Compliance and Risk Management Committee and the Development Strategy Committee under the Board of Directors with all special committees performing their own functions and responsibilities and doing their parts to promote the efficient, scientific and standard operation of the Company.</p>
<b>Supervisory Committee</b>	The Supervisory Committee is composed of 7 supervisors, including 3 employee representative supervisors. The Supervisory Committee is responsible to the general meeting and effectively supervises the legality and compliance of the Company's finance and the performance of duties by the Board and the management of the Company. The Company maintains and improves the employee representative supervisor mechanism and allows employee supervisors to participate in corporate governance in an orderly manner.

For other details of corporate governance, please refer to the chapter headed "Corporate Governance" in the 2022 Annual Report of Huatai Securities Co., Ltd.



## » Information Disclosure Management

Acted in strict accordance with the Administrative Measures for the Disclosure of Information of Listed Companies issued by the CSRC and other legal norms and relevant requirements, the Company also formulated the Management Measures for Information Disclosure, the System regarding Insider Registration and Management and Confidentiality and other rules and regulations, and the office of the Board of Directors has formulated and improved specific working systems and management methods for information disclosure, clarified and refined the management process and regulations for information disclosure of the Company, and established a regular communication mechanism with the relevant business departments, compliance and risk control departments and law firms in various places to ensure the stable operation of information disclosure channels.

In 2022, the Company was rated the highest-level **Class A** in the 2021-2022 information disclosure evaluation of listed companies by the Shanghai Stock Exchange.

## » Safeguarding the rights and interests of minority shareholders

In order to protect the legitimate rights and interests of all shareholders of the Company and to ensure that shareholders exercise their powers and functions in an equal and effective manner, in 2022, the Company amended and improved the Company's Rules of Procedure for General Meetings of Shareholders. When the General Meeting considers significant matters affecting the interests of small and medium-sized investors, the votes of small and medium-sized investors are counted separately and disclosed publicly in a timely manner. The controlling shareholders and the de facto controller of the Company shall not restrict or obstruct small and medium-sized investors to exercise of the voting rights in accordance with the law, and shall not impair the legitimate rights and interests of the Company and the small and medium-sized investors.

In addition, the independent directors are obliged to be honest and diligent to the Company and all shareholders, and are particularly concerned that the legitimate rights and interests of small and medium-sized shareholders are not harmed. The Company treats all investors on an equal footing when conducting investor relations management activities, and in particular, creates opportunities and facilitates the participation of small and medium-sized investors.

## » Communications with Investors

The Company highly values the opinions and advice from shareholders, works to maintain communication with them by proactively and regularly holding various investor relations activities, and satisfies their reasonable demands in a timely manner. With well-established rules and regulations in place, such as the Administrative System Regarding Investor Relationship, investor relations are managed in a standardized and systematic way with clear procedures to follow. We have sound interactions and exchanges with our investors by making good use of the service special line available for investors, the investor relations column on the Company's website, on-site research and visits and other channels, thus enhancing their understanding and recognition on the Company and protecting their legitimate rights and interests.

### "Xing Zhi" Facilitates Efficient Communication with Investors

The Company convened its results announcement conference through diversified forms of online live broadcasting, conference call and text interaction, using its self-developed financial service platform "Xing Zhi" APP for broadcasting. It organized directors and senior management of the Company to hold a text-based results announcement conference on the SSE Roadshow platform of Shanghai Stock Exchange, during which questions raised by investors, medium- and small-sized investors in particular, were answered. The APP supports the display of roadshow materials in both English and Chinese, as well as live image on the same screen. An online conference of results announcement covers more onshore and offshore investors, promoting two-way understanding between the Company and the market.



◆ Huatai Securities 2021 Annual Results Announcement Conference

## 7.3 Strengthening Compliance Operation

### » Construction of Compliance System

The Company constantly established and improved compliance management systems. In 2022, in line with changes in laws and regulations, business practice and compliance management requirements, the Company promulgated and amended management systems such as Management Measures on Sanction Compliance Work of Huatai Securities Co., Ltd. (《华泰证券股份有限公司制裁合规工作管理办法》), Management

System of Information Segregation Wall of Huatai Securities Co., Ltd. (《华泰证券股份有限公司信息隔离墙管理制度》), Management System of Abnormal Securities Trading Behavior of Exchange Customers of Huatai Securities Co., Ltd. (《华泰证券股份有限公司交易所客户证券异常交易行为管理制度》) and Rules for Compliance Management of OTC Derivatives Business of Huatai Securities Co., Ltd. (《华泰证券股份有限公司场外衍生品业务合规管理细则》), covering various aspects of anti-money laundering, management on abnormal trading behavior and information segregation wall and other multiple aspects, thus ensuring management requirements to be more institutional and well-regulated.

#### Compliance Performance Platform with Case Management Module and Bond Investors' Voice Alert Module

##### Case Management Module:

By regulating information entry of case, we can realize real-time mastery of case progress, intelligent data analysis, key node notification reminders and electronic storage of case materials.

##### Voice Alert Module:

Technologies that based on voice recognition, natural language processing and other technologies have realized intelligent voice recognition alarm on the recorded phone messages among bond investment traders. AI voice transcription technology has improved compliance supervision efficiency.

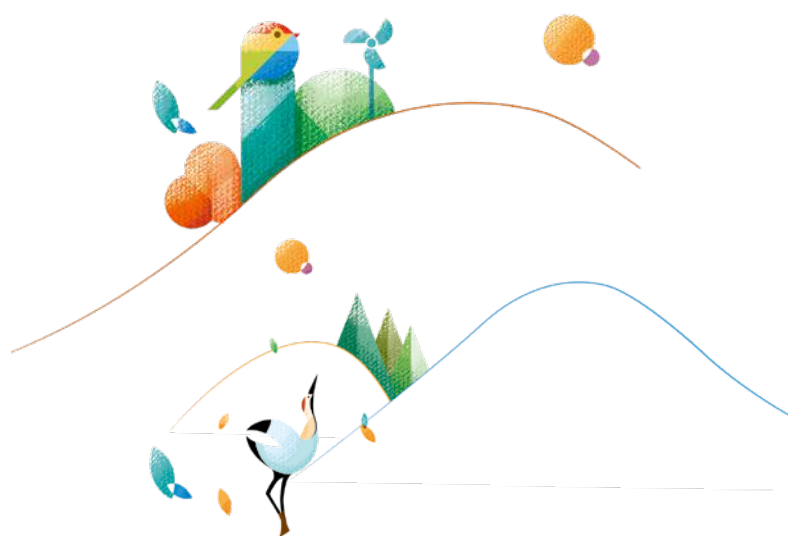
### Compliance Publicity and Training

The Company continued to intensify the construction of compliance culture by incorporating compliance management into service education, enhancing consensus of compliance concept and recognition of compliance value among all personnel, and constantly improving the inner dynamics of compliance. In 2022, a total of 48 legal compliance campaigns were carried out, and 5 law publicity activities were held, including the "3rd 'Legal Tai' Law Publicity Month", "Nationwide National Security Education Day" law publicity and "Compliance with You" Futures and Derivative Law special topic, which created an atmosphere of rule of law of "knowledge, understanding and compliance with the law".

Expanding the coverage of publicity: to cover each department, branch and domestic subsidiary

Enriching the form of publicity: to hold law publicity activity with full coverage both online and offline, such as knowledge contests and live broadcasting of lectures

Focusing on data security and information security: to include areas of data security and information security compliance under the construction of platform mechanism





### 3rd “Legal Tai” Law Publicity Month

With the unique brand of “Legal Tai” featured law publicity at the main platform of internal publicity, the Company focused on the theme of “learning the spirit of the 20th CPC National Congress, comprehensively promoting the constitution and guarding information security” to hold online and offline law publicity activities through knowledge contests and live broadcasting of lectures with the Data Security Law (《数据安全法》), Cyberspace Security Law (《网络安全法》), Personal Information Protection Law (《个人信息保护法》) and Data Exit Security Assessment Measures (《数据出境安全评估办法》) as the primary line of publicity, which covered all employees.



◆ Lecture on Publicity of the Data Security Law



◆ Posters of “Legal Tai” Law Publicity Month

## » Upholding Business Ethics

### Business Integrity

The Company always gives top priority to anti-corruption and anti-bribery work. In strict accordance with the requirements of the Regulations on the Integrity of Securities and Futures Business Institutions and Their Staff (《證券期貨經營機構及其工作人員廉潔從業規定》) and the Securities Law (《證券法》),

the Company has formulated the Regulations on Anti-corruption and Integrity of Huatai Securities (《華泰證券反腐敗及廉潔從業相關規定》), improved internal control on managing integrity, established a review mechanism for the integrity of personnel leaving the Company. In addition, the Company revised the anti-bribery provisions and further embedded them in various business processes. The Company regularly self-examined and self-reviewed by organizing 2 self-examinations on the implementation of integrity in business, reporting issues of integrity in business on a quarterly basis. It also promoted to verify and clean up investments in business enterprises, and made special self-examinations on enforcement by default and industry integrity information. The Company strengthened its training of integrity promotion by holding special activities to “advocate in integrity and discipline”. By multiple publicity, we are able to educate all employees to fasten the safety belt of integrity in business, and urges all employees to build up the awareness of integrity in business. In 2022, no lawsuits relating to corruption occurred which were against the Company or its employee.

In 2022, the Company adjusted the risk management system of integrity so that administrators of each unit can log in to the system at any time based on their circumstances to provide disciplinary information. Special supervision on the quality of each unit’s filed information was carried out through research talks and information inquiries to achieve more comprehensive and accurate management over integrity risk, which improved the efficiency of information transmission through the system, and strengthened the full interaction between each unit and the assigned team. The Company has launched online training courses on integrity in business, produced and distributed videos, posters and articles on integrity in business, and offered continuous training on integrity in business for all employees, giving full play to the education role by drawing lesson from negative cases, guiding all staff to hold discipline in awe and respect and never cross the bottom line and to consciously carry out their business in compliance and with integrity.

### Special Activity of Learning from Warning Education Videos



◆ CPC Members Watching Warning Education Video: The Hunting - Bribers Talking (《圍獵·行賄者說》)

### Anti-corruption Training for Directors

In 2022, the Company offered anti-corruption training (including training on dealing with corruption risks) for members of the Board of Directors, and distributed training materials such as the Prevention of Bribery Ordinance (《防止賄賂條例》) and Toolkit on Directors' Ethics (《董事誠信實務指南》) prepared by the ICAC of Hong Kong to members of the Board of Directors for study and reference.

### Whistle-blowing Channels and System to Protect Whistle-blowers

The Company protects the legitimate rights of whistle-blowers, continues to build whistle-blowing channels, develops relevant protection measures and properly provides real-name reporting feedback. A number of reporting channels are open and confidentiality requirements are strictly implemented to practically guarantee the right of supervision of whistle-blowers.

**Whistle-blowing Channels:** to set up and announce whistle-blowing channels, including letters and petitions, online whistle-blowing and telephone whistle-blowing, to supervise and prevent the seeking or transferring improper benefits

**Whistle-blower Protection:** to strictly abide by the Regulations on Dealing with Reporting Work of Disciplinary Inspection and Supervision Organs, the Implementation Measures for the Establishment and Improvement of the Clarification and Protection Mechanism on Falsely and Wrongly Accused Party Members and Cadres (Trial Implementation) and other regulations and explicitly provide that it shall "strictly implement confidentiality regulations, designate special staff to register and handle the whistle-blowing within the scope of acceptance, strictly control the range of knowledge and resolutely prevent the leakage of secrets"

### Internal Audit

The Company put in place an internal audit system with full-time auditors to conduct internal audit supervision of the Company's financial income and expenditure and economic activities. The audit includes the followings: business operation activities, accounting and financial management, construction and implementation of internal control system, completion of business objectives, fulfillment of responsibilities related to the construction of the Party conduct and of an honest and clean government and compliance with the provisions of integrity in business and other matters.



### Strengthening Business Ethics Audit

The Company formulated and improved the Administrative Measures for Internal Audit (《內部審計管理辦法》) and the Administrative Measures for Internal Audit on Staff at Key Positions (《關鍵崗位人員內部審計管理辦法》), regularly carried out internal audits, including business ethics audit across the Group. During the audit process, the Company was mainly concerned about the employees' compliance with national laws and regulations, industrial regulations and all compliance management systems of the Company and the practitioners' compliance with codes of conduct and integrity and self-discipline. Meanwhile, we also check the reasonableness and compliance of procurement activities to prevent corruption by keeping an eye on the completeness and validity of contracts signed by departments, subsidiaries and branches in our audits.

In 2022, a total of **157** audit programs were completed for headquarters departments, branches and subsidiaries, and audit reports were issued with audit opinions and recommendations raised. The main person in charge of the audited unit was clearly identified as the first person responsible for rectification and feedback. It was required to determine a contact person for rectification, who shall take the lead in implementing and promptly reporting the progress of the rectification work within the specified time.

## » Anti-money Laundering Efforts

According to the requirements under anti-money laundering regulations such as the Measures for the Supervision of Anti-Money Laundering and Counter-Terrorist Financing of Financial Institutions (《金融機構反洗錢和反恐怖融資監督管理辦法》), and in line with the business practice of the Company, we made amendments to 10 anti-money laundering systems, including the Anti-Money Laundering Organization Structure and Responsibilities of Huatai Securities Co., Ltd. (《華泰證券股份有限公司反洗錢組織架構與職責》), so as to further improve each work requirement of anti-money laundering and facilitate the effective integration of anti-money laundering efforts with business practice.

### Advancing system transformation and process optimization

The Company launched an electronic ledger for continuous identification of institutional customers, which facilitates branch offices to verify the suspension and cancellation status of institutional customers and carry out constant due diligence on annual basis. We dynamically evaluated and optimized suspicious monitoring and early warning, enhanced the effectiveness on monitoring anti-money laundering list. We introduced an online function to report suspicious transactions between non-brokerage customers. We worked to achieve full connection of the anti-money laundering system with all business lines and full customer coverage at the reporting level of suspicious transaction.

### Strengthening suspicious transaction monitoring and information submission

Taking into account the characteristics of securities business and the Company's business practice, the Company continuously evaluates and optimizes the monitoring model of suspicious transaction to enhance the effectiveness of monitoring. For transactions that cannot be excluded from reasonable suspicion, suspicious transaction reports would be submitted to the Chinese Anti-Money Laundering Monitoring and Analysis Center in a timely manner to effectively prevent money laundering and related upstream criminal acts.

### Improving the framework of the sanction compliance risk monitoring system

The Company formulated the Administrative Measures for Sanctions Compliance Work (《制裁合規工作管理辦法》), revised and updated the Administrative Measures for Monitoring on the List of Money Laundering and Sanction Risks (《洗錢及制裁風險名單管控管理辦法》) and the Work Guidelines for Compliance with International Economic Sanctions and Export Control (《國際經濟制裁和出口管制合規工作指引》), which have clarified standardized, refined and differentiated strategies on controlling sanction compliance risk and established a normalized work conduction process. We coordinated to promote CRM construction in the institution and regulated anti-money laundering work in institutional business lines. We advanced customer management in institutional business lines and adhered to systemic thinking to coordinate a unified service guidance system plan for institutional customers. We promoted the establishment of a database of anti-money laundering and appropriate due diligence at the company level based on institution CRM to empower the efficient development of various institutional businesses.

### Special Anti-money Laundering Publicity Activities

In 2022, the Company organized special anti-money laundering publicity activities:

<p>The "4.15 National Security Education Day"</p>	<p>In April 2022, we carried out an anti-money laundering publicity activity under the theme of the "4.15 National Security Education Day", and by scrolling the publicity slogans on LED display screens, producing banners, roll up banner and other publicity materials and applying new media and other means, we were able to effectively extend the reach of such slogans to more people.</p>
<p>Anti-money Laundering Knowledge Contest</p>	<p>In May 2022, the Company organized an anti-money laundering knowledge contest through online quiz, and encouraged our employees to mobilize the public/customers and send posts on our public account to promote such contest to the public. The Company was finally awarded the "Best Organization Award" by the People's Bank of China for this publicity activity.</p>
<p>Wide Promotion of the Anti-organized Crime Law (《反有組織犯罪法》)</p>	<p>In July 2022, we walked into enterprises, communities and schools to publicize the Anti-organized Crime Law by explaining the knowledge under such law at targeted groups of different age and people with different nature of work, with an aim to guiding the public to comply with laws and regulations and actively report clues of organized crime.</p>

### Anti-money Laundering Training

In 2022, the Company has led and organized **13** trainings on anti-money laundering, with contents including interpretation of anti-money laundering laws and regulations and explanation of anti-money laundering practices. We organized employees to study and discuss through various ways, including online and offline, to update themselves with the work requirements of anti-money laundering at various stages and improve the working capability of anti-money laundering personnel. The Company held dynamic trainings on anti-money laundering legislation to directors and supervisors.

## >> Supplier Management

The Company strictly followed the Tendering and Bidding Law of the People's Republic of China (《中華人民共和國招標投標法》), the Government Procurement Law of the People's Republic of China (《中華人民共和國政府採購法》) and other laws and regulations, and issued the Code of Conduct on Suppliers of Huatai Securities Co., Ltd. (《华泰证券股份有限公司供應商行為準則》) in 2022, which clarified the expectations and requirements for the operational conducts of its suppliers, sub-contractors and staffs thereof and expected suppliers to practice the principles of integrity, ethics, safety, impartiality and confidentiality.

### Supplier Management Work

The suppliers of Company mainly include those related to IT hardware, IT software, products for project construction, comprehensive materials, products for Internet marketing and promotion, information products and relevant services. The Company continued to strengthen the supplier management thus to create a sound supplier cooperation ecosystem.



## Key Tasks for Supplier Management

<b>Precise Management</b>	Managing suppliers by categorizing them into strategic suppliers, key suppliers and ordinary suppliers and implementing differentiated management based on the classification results and provisions of contracts
<b>Substantive Verification</b>	Adding the substantive verification on suppliers for key projects and establishing an inspection group comprising relevant departments to conduct substantive verification on suppliers to prevent risks
	Connecting the supplier management system with the corporate industry and commerce system to reflect the abnormalities of industry and commerce information of suppliers in a real-time manner
<b>Enhancement of Punishment Efforts</b>	Boosting punishment efforts on misconducts such as falsification, bid-rigging and bidding collusion by suppliers and increasing the cost of default by suppliers
	Extending the exclusion period of eliminated suppliers from one year to three years and adjusting the exclusion period of delisted suppliers from five years to permanence
<b>Simplification of Approval Process</b>	The short-listing examination process of suppliers is optimized from "submitting to the procurement management committee for consideration" under the original systems to "submitting to the responsible leader for approval and the responsible leader may submit them to the procurement management committee for consideration based on the importance of projects", thus improving the procurement efficiency

## Strengthening the Anti-corruption Management of Suppliers

The Company formulated the Code of Conduct on Suppliers of Huatai Securities Co., Ltd., making explicit provisions on the compliance and ethics standards, anti-corruption, environmental protection, employees' interest and other environmental and social aspects of suppliers and requiring suppliers to abide by the Regulations on Anti-corruption and Integrity of Huatai Securities Co., Ltd. (《华泰证券股份有限公司反腐败及廉洁从业相关规定》) and other anti-corruption policies.

The Company added anti-commercial bribery clauses in all purchase contracts, required all the suppliers to enter into the integrity agreement by strictly forbidding active and passive bribery of suppliers, and specified punishment rules on the violation of contracts to effectively prevent the corruption of suppliers.

The Company updated the Anti-commercial Bribery Clauses (《反商业贿赂条款》) to differentiate the scenarios where the Company performs as party A and as party B. The clauses clearly define that the counterparty shall proactively report its related relationship with the relevant staff of the Company by declaring the Company's attitude and principle regarding commercial bribery. Currently, The Company has comprehensively implemented said clauses in the procurement contracts and tender documents.

## » Intellectual Property Protection

The Company is in strict compliance with the Patent Law of the People's Republic of China (《中华人民共和国专利法》), the Copyright Law of the People's Republic of China (《中华人民共和国著作权法》), the Trademark Law of the People's Republic of China (《中华人民共和国商标法》) and other laws and regulations, and avoids the infringement of others' intellectual properties to control legal risks while effectively protecting its own intellectual properties.

In 2022, in the relevant contracts entered into by the Company with external parties, the Company required developers to guarantee that the software and development services provided for the Company are not involved in the infringement of the intellectual properties or other rights by any third parties, and all software and instruments used by the designated service staff have obtained the corresponding authorizations without infringement of the intellectual properties, ownership or use right of any third parties.





## » Responsible Marketing

The Company strictly complied with various requirements on financial marketing publicity and product advertisement stipulated by the Advertisement Law of the People's Republic of China (《中華人民共和國廣告法》), the Notice on Further Standardizing Financial Marketing Publicity (《關於進一步規範金融營銷宣傳行為的通知》), the Measures for Supervision and Administration of the Sales Organizations of Securities Investment Funds in Public Offering (《公開募集證券投資基金銷售機構監督管理辦法》) and the Interim Regulations on the Administration of Publicity and Referral Materials of Securities Investment Funds in Public Offering (《公開募集證券投資基金宣傳推介材料管理暫行規定》) and formulated the Administrative Measures for Marketing Publicity Activities (《規範營銷宣傳管理辦法》) and the Administrative Measures for Proxy Sale of Financial Products (《金融產品代銷管理辦法》), which specified the preparation, review and use of publicity materials and code of conduct on marketing and publicity as well as special requirements on the marketing of financial products, for which the Company continued to establish and improve the internal control systems on the advertising and marketing management of financial products.

The Company carried out strict management on marketing and referral materials and activities from marketing staff with view to ensure that customers are updated with true and complete



product information. For example, the Company required that marketing and referral materials shall be audited and provided by the headquarters and forbid exaggerated publicity by marketing staff. Meanwhile, the Company provided various channels for customers to learn about complete product information, including the "Publicity and Information Disclosure" column on the official website of the Company, basic information elements and text of contracts available for checking when buying products through ZhangLe Fortune Path and other trade terminals, 95597 hotline and 7\*24-hour online customer services.

In 2022, the Company committed no violations regarding products or services in marketing, nor did it commit any marketing non-compliance.

## 7.4 Comprehensive Risk Management

### » Comprehensive Risk Management System

The Company has established and improved the risk management organizational structure and developed a multi-layered working mechanism with mutual connection and effective balance. In 2022, the Company solidly laid a foundation for the Group's risk management system by deepening the subsidiary management model of centralized management and control and hierarchical authorization, improving the risk management system of various fields, optimizing risk management mechanisms and tools, so as to comprehensively enhance the management ability of professional risk systems.

#### Incorporating Overall Risk Management into the Audit Scope

The Board of the Company is ultimately responsible for the overall risk management; the Supervisory Committee is responsible for supervising overall risk management

The Compliance and Risk Management Committee is set up under the Board; the senior management is specifically responsible for the implementation of risk management; chief risk officer is established to responsible for leading the overall risk management of the Company

The risk management department is accountable to the senior management and is responsible for the overall risk of the Company and performs the overall risk management duties; all professional risk management departments are responsible for professional risks under their leading management

Other headquarters departments, branches and subsidiaries are responsible for the management of various risks in their respective lines

## » Empowering Comprehensive Risk Management with Technology

The Company attaches great importance to technology-driven risk management capabilities and efficiency improvements by adopting digital thinking to fully create a centralized, time-efficient, quantitative and penetrated comprehensive risk management system to empower risk management with technology. At present, the Company has established the risk data marketplace at the group level to comprehensively cover the risk information of all business lines including transactions, customers, products, internal control, financial condition and public opinion information.

### Technology Application in Risk Management in 2022

Risk Data Governance	Optimizing the risk data governance system and improving data quality, thus to lay a solid foundation for the in-depth analysis and the scenario application for risk management
	Attaching importance to the effective combination of risk management and information technology system to continue to enhance investment efforts
Risk Management Platform	Improving the construction of an integrated risk management platform to effectively integrate risk information scattered in various business lines and products of the Group to realize the centralized display and reporting of risk information according to multiple dimensions such as various types of risks, business lines and institutions
	Strengthening the risk management of the Group's consolidated capital and risk management of transaction business
	Realizing systematic and clear control of professional risks and key procedures by building procedure control solutions based on business scenarios
	Expanding the coverage of risk limit indicators by supporting daily risk management and decision-making through automated monitoring, warning and breakdown, and advancing the digital transformation of regular risk management, so as to continuously improve working effectiveness

## » Risk Management Culture Promotion

The Company's internet college platform launched courses related to comprehensive risk management system, key business risk management, among others, covering all employees of the Company with a view to enhance the employees' risk management awareness in daily work. In 2022, there were 30 professional trainings regarding risk management organized by the Company, carrying out in-depth analysis on the internal special risk management system including the Guidance on Centralized Management of Risk Information of

the Same Customer (《同一客戶風險信息集中管理指引》) and Administrative Measures on the New Business Risk Assessment (《新業務風險評估管理辦法》).

By focusing on the theme of digital transformation of risk management, the Company conducted special training such as "Digital Staff Building and Key Scenario Sharing", "Planning and Designing Thinking for the Systems related to Risk Management" and "Introduction on Risk Data Marketplace".



## 7.5 Industry Cultural Construction

The Company responded to the calls and relevant requirements of the CSRC and the Securities Association of China on enhancing industry cultural construction, by deepening the cultural connotation of “openness, inclusiveness, innovation, dedication and responsibility” and practicing the cultural concept of “compliance, integrity, professionalism and stability” in the industry. Based on the philosophy of the Ten Key Points on Cultural Construction for Securities Industry (《證券行業文化建設十要素》) and the requirements under the Measures on the Cultural Construction Practice and Assessment for Securities Corporates (《證券公司文化建設實踐評估辦法》). By taking into account the “dual-drivers” development strategy empowered by science and technology and the work arrangement for strategies, technologies and organizational upgrades, the Company continued to carry out the work on the party construction

and leadership, operation of brand culture projects, cultural construction with science features, cultural construction of compliance and risk, talent cultivation and growth and participation in industry cultural construction. In line with the Outline for the Cultural Construction of the Company (《公司文化建設工作綱要》), on the basis of the past two years, the Company’s cultural construction upheld an open and innovative mindset by endeavoring to promote advanced development and building a cultural value system with distinctive features that gathered public internal support and shaped external brand, for which the Company continued to contribute its efforts to the cultural construction in the industry. In 2022, the Company was honored “2022 Outstanding Cultural Construction Case (2022 年度優秀文化建設案例)” by National Business Daily.

The Company actively participated in the industry culture promotion activities and the training courses of the Securities Association of China

Responsibility Demonstration and Value Creation through implementing ESG Concept (《踐行 ESG 理念，從彰顯責任到創造價值》)

In July 2022, the Company participated in the recording of cultural construction courses organized by the Securities Association of China, compiled the courses of Responsibility Demonstration and Value Creation through implementing ESG Concept, which has been successfully launched on the remote training system on the Securities Association of China. The course clarifies the key direction for the construction of ESG system and responsibility culture of securities companies, introduces the ESG practice and featured projects of Huatai Securities, and shares the experience and philosophy of the Company in the process of the ESG construction.

The Company Actively Carried out the promotion and education activities of the Ten Key Points regarding the Establishment of Culture of Securities Industry issued by the Securities Association of China

“From Industry Cultural Consensus to Company Cultural Practice”

In December 2022, the Company held a live streaming activity of “From Industry Cultural Consensus to Company Cultural Practice”, which has been concurrently launched on the “Cloud Academy”. The activity introduced the new practice of industry culture with Chinese characteristics and the internal philosophy of the Company, values and cultural recognition to all employees of the Company. There were 467 participants for online learning with a total of 934 viewing hours, which achieved good results.

Leveraging on internal and external platforms, the Company actively promoted its corporate culture. The achievement in cultural construction of the Company has been publicized and promoted by the media from the central government and key industries.

“Huatai Securities Channel” WeChat public account: developing cultural construction high-quality programs such as Huatai Securities XWAIC Artificial Intelligence Meeting (《華泰證券 XWAIC 人工智能大會》), Huatai “New” Force (《華泰「新」力量》) and the Companion Reading Program for Left-behind Children (《留守兒童伴讀計劃》).

Internal publication platform “Huatai”: launching special projects from multiple perspectives such as “One Tomorrow, “Change” on Its Way (《一個明天,「改變」在發生》)” on public welfare topic, “Distinctive ‘Newbie’ in Huatai (《不拘定格的華泰「新鮮人」》)” on recruitment culture topic and the “‘Xing Zhi’ and Digitalization of Corporate Businesses (《「行知」與機構業務數字化》)” on science and technology innovation culture topic.



◆ “Huatai”: Promotion of the Science and Technology Innovation Culture



## Key Quantitative Performance Indicators

### Economic Performance Indicators<sup>1</sup>

Indicator	Unit	2020	2021	2022
Operating income	RMB10,000	3,144,454.61	3,790,544.37	3,203,156.21
Total profit	RMB10,000	1,350,437.60	1,627,256.25	1,222,803.78
Tax paid	RMB10,000	381,539.22	524,202.31	353,151.80
Total assets	RMB10,000	71,675,123.50	80,665,083.27	84,656,701.58
Expenses on employee benefits	RMB10,000	761,045.38	933,848.50	1,073,645.60
Total external donation investment	RMB10,000	3,240.81	4,600.16	4,282.89
Basic earnings per share	RMB	1.20	1.47	1.18
Social contribution per share <sup>2</sup>	RMB	3.33	4.22	3.44

Note 1: The data in this table are derived from the consolidated financial statements prepared by the Group in accordance with the Chinese Accounting Standards for Enterprises or calculated based on the data in the aforementioned statements.

Note 2: [Calculation method] social contribution per share = (net profit of the Company + tax paid to the state during the year + salaries paid to employees + interest on borrowings paid to banks and other creditors + value created for other stakeholders, e.g. donations - other social costs due to environmental pollution)/total number of shares of the Company.

Performance Indicators for Greenhouse Gas (GHG) Emissions and Energy Consumption<sup>1</sup>

Indicator	Unit	2020	2021	2022
Total greenhouse gas (GHG) emissions (Category 1 and Category 2) <sup>2</sup>	tons of CO <sub>2</sub> equivalent	25,106.68	28,510.82	32,363.68
Category 1 greenhouse gas (GHG) emissions	tons of CO <sub>2</sub> equivalent	1,563.48	2,431.91	3,148.35
Category 2 greenhouse gas (GHG) emissions	tons of CO <sub>2</sub> equivalent	23,543.20	26,078.91	29,215.33
Total greenhouse gas (GHG) emissions per person (Category 1 and Category 2)	tons of CO <sub>2</sub> equivalent/person	3.85	3.07	2.76
Greenhouse gas (GHG) emissions per unit area (Category 1 and Category 2)	tons of CO <sub>2</sub> equivalent/m <sup>2</sup>	0.16	0.11	0.10
Category 3 greenhouse gas (GHG) emissions <sup>3</sup>	tons of CO <sub>2</sub> equivalent	10,007.73	8,798.01	14,925.85
Total natural gas consumption	m <sup>3</sup>	445,077.50	578,814.95	891,900.99
Natural gas consumption per person	m <sup>3</sup> /person	68.20	62.35	75.98
Natural gas consumption per unit area	m <sup>3</sup> /m <sup>2</sup>	2.79	2.26	2.69
Petrol consumption of the Company's vehicles <sup>4</sup>	liter	219,919.18	433,503.84	514,842.30
Diesel consumption of diesel generators	liter	1,600.00	1,800.00	1,612.00
Total electricity consumption	kWh	33,631,525.00	44,739,924.00	51,054,290.79
Electricity consumption per person	kWh/person	5,740.74	4,819.04	4,349.49
Electricity consumption per unit area	kWh/m <sup>2</sup>	216.28	175.00	153.85
Nitrogen oxide emissions <sup>5</sup>	kg	-	-	5,526.26
Sulfur oxide emissions <sup>6</sup>	kg	-	-	7.57

Note 1: [Statistical caliber] The figures in 2020 are for Huatai Securities headquarters and its wholly-owned and controlled subsidiaries (excluding AssetMark), 28 branches. The figures in 2021 and 2022 gradually added the securities business units under the Company based on the 2020 figures, and the office area covered by the figures gradually increased. In 2022, the Company's overall electricity consumption and natural gas consumption increased compared with 2021 due to the continued abnormal high temperature in summer across China. In 2022, the Renaissance Nanjing Olympic Centre Hotel (華泰萬麗酒店) gradually resumed normal operation, the consumption of natural gas increased compared to 2021.

Note 2: [Calculation method] Category 1 greenhouse gas (GHG) emissions include direct greenhouse gas emissions from natural gas consumption, self-owned vehicles gasoline consumption and diesel consumption of diesel generators of the Company, calculation method of which is with reference to How to prepare an ESG Report - Appendix 2: Reporting Guidance on Environmental KPIs (2022) issued by Hong Kong Stock Exchange. Category 2 greenhouse gas (GHG) emissions include indirect greenhouse gas emissions from purchased electricity, the method of accounting for greenhouse gases and the selection of emission factors for each energy source are mainly 2022 is with reference to How to prepare an ESG Report - Appendix 2: Reporting Guidance on Environmental KPIs (2022) issued by Hong Kong Stock Exchange, the Greenhouse Gas Emission Accounting Methodology and Reporting Guidelines for Public Building Operation Enterprises issued by the National Development and Reform Commission (Trial) and the Notice on the Management of Greenhouse Gas Emission Reports for Enterprises in the Power Generation Industry for 2023-2025 issued by the Ministry of Ecology and Environment. For the accounting methodology and selection of emission factors for each energy source in 2021 and 2020, please refer to the CSR reports issued by the Company in 2021 and 2020.

Note 3: [Calculation method] Category 3 greenhouse gas (GHG) emissions is estimated by using calculation method for Greenhouse Gas Protocol (Category 3); the figures in 2022 include emission from electricity, natural gas and other consumption by tenants in Huatai Securities Square, emission from traveling by transportation and resting in hotel on business trip by employees of Huatai Securities headquarters and its wholly-owned and controlled subsidiaries (excluding AssetMark), 28 branches and securities business department under the Group. In 2022, as the impact of the Company's business travel gradually resumed. The figures in 2021 and 2020 include emission from electricity, natural gas and other consumption by tenants in Huatai Securities Square and emission from traveling by air and resting in hotel on business trip by employees of the headquarters of the parent company of Huatai Securities.

Note 4: The data of oil consumption of owned vehicles are estimates.

Notes 5 and 6: [Calculation method] calculation method of waste gas emissions in 2022 is with reference to How to prepare an ESG Report - Appendix 2: Reporting Guidance on Environmental KPIs (2022) issued by Hong Kong Stock Exchange.

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

Indicator	Unit	2020	2021	2022
Total water consumption <sup>2</sup>	ton	87,012.48	156,261.15	185,256.86
Water consumption per person	ton/person	13.33	16.83	15.78
Water consumption per unit area	ton/m <sup>2</sup>	0.55	0.61	0.56

Note 1: [Statistical caliber] The figures in 2022 and 2021 are for Huatai Securities headquarters and its wholly-owned and controlled subsidiaries (excluding AssetMark), 28 branches and their business departments; the figures in 2020 are for Huatai Securities headquarters and its wholly-owned and controlled subsidiaries (excluding AssetMark) and 28 branches.

Note 2: In 2022, due to the continued abnormal high temperature in summer across China, hence the total water consumption of the Company recorded an increase as compared to that of 2021.

## Performance Indicators for Material Consumption and Waste Production Volume<sup>1</sup>

Indicator	Unit	2020	2021	2022
Waste volume of electronics <sup>2</sup>	piece <sup>3</sup>	10,713	11,000	4,749
Toner <sup>4</sup>	unit	155	296	1,223
Cartridge <sup>5</sup>	unit	596	823	3,101
Discarded fluorescent tube	unit	500	300	1,817
Total paper consumption <sup>6</sup>	package	6,750	7,100	21,096

Note 1: [Statistical caliber] The figures in 2022 are for Huatai Securities headquarters and its wholly-owned and controlled subsidiaries (excluding AssetMark), 28 branches and their business departments. In 2021 and 2020, the figures is the headquarters of the parent company and branches of Huatai Securities. In 2022, the Company newly incorporated the material consumption and waste from the business departments under the subsidiaries and branches into the statistics, hence the total amount increased compared to 2021.

Note 2: The statistical scope of the electronic waste includes laptops, monitors, desktops, all-in-ones, routers, UPS, etc., which are calculated by physical asset management system.

Note 3: [Unit caliber] In the Company's physical asset management system, UPS storage battery statistics were entered in units of "unit" in earlier stage, and UPS storage battery statistics were entered in units of "group" after 2017, hence, the figures for obsolete UPS storage batteries in 2022 is changed from that of 2021 to "group" as the unit of statistics.

Notes 4 and 5: The consumption volume data of toners and cartridges are estimates.

Note 6: The paper consumption data are estimates. The Company has not yet made statistics on the office waste since it is cleared by the property management center.

## Anti-corruption-related Performance Indicators

Indicator	Unit	2020	2021	2022
Number of anti-corruption training	time	5	6	8
Number of people participating in anti-corruption training	person	9,449	10,787	11,073
Average anti-corruption training hours per capita of staff <sup>1</sup>	hour	1.93	2.00	2.00

Note 1: Calculation method: Average anti-corruption training hours per capita of all staff for each year = total anti-corruption training hours of all staff /total number of staff.

## Employee Performance Indicators

Indicator		Unit	2020	2021	2022
Total number of employees <sup>1</sup>		person	9,784	14,372	16,799
By gender	Male	person	5,320	7,959	8,495
	Female	person	4,464	6,413	6,677
By employment type <sup>2</sup>	Full-time contract employee	person	9,784	11,517	13,365
	Other employment type	person	—	2,855	3,434
By age	>50	person	391	1,045	1,047
	30-50	person	6,364	8,600	9,103
	<30	person	3,029	4,727	5,022
By region	Mainland China	person	9,560	13,086	14,507
	Hong Kong, Macao, Taiwan and overseas	person	224	1,286	2,292
By education degree	Doctor	person	133	140	167
	Master	person	4,440	5,080	6,518
	College	person	4,814	6,927	7,372
	Technical school and below	person	397	1,351	1,115
Number of new employees <sup>3</sup>		person	1,322	1,512	2,527
By gender	Male	person	777	910	1,429
	Female	person	545	602	1,098



Indicator		Unit	2020	2021	2022
By age	>50	person	5	6	5
	30-50	person	484	621	1,003
	<30	person	833	885	1,518
By region	Mainland China	person	1,259	1,442	2,412
	Hong Kong, Macao, Taiwan and overseas	person	63	70	115
Graduates		person	582	478	726
Minority ethnic group		person	246	287	354
Handicapped		person	2	1	0
Loss of staff <sup>4</sup>		%	9.37	9.05	6.19
By gender	Male	%	10.09	9.56	6.22
	Female	%	8.51	8.42	6.15
By age	>50	%	2.30	3.43	4.04
	30-50	%	7.75	8.27	5.64
	<30	%	13.70	12.17	7.99
By region	Mainland China	%	9.13	8.47	5.89
	Hong Kong, Macao, Taiwan and overseas	%	19.64	23.60	13.56
Labor discrimination		case	0	0	0

Indicator	Unit	2020	2021	2022
Percentage of labor contracts signed	%	100	100	100
Coverage of social insurance	%	100	100	100
Female employees taking parental leave	person	249	257	267
Return rate of female employees taking parental leave <sup>5</sup>	%	100	100	100
Male employees taking parental leave <sup>6</sup>	person	-	-	172
Percentage of male employees in management	%	70.19	70.53	69.55
Percentage of female employees in management	%	29.81	29.47	30.45

Note 1: [Statistical caliber] The figures of total number of employees include Huatai Securities headquarters and its wholly-owned and controlled subsidiaries (including AssetMark). Due to the internal policies of the company in U.S., the gender, age and education structure exclude U.S. company employees. The rest figures such as number of new employees and turnover rate exclude full-time contract employees of AssetMark.

Note 2: The number of employees of the Company in 2022 and 2021 includes labor dispatch, brokers, etc.

Note 3: Based on the digital development strategy of the Company and the demand for IT-related talent reserve, the number of recruitment in 2022 increased rapidly, mainly focusing on the recruitment of FINTECH talents in the information technology category.

Note 4: [Calculation method] Loss rate of a particular type of staff = loss number of such type of staff during the year / number of such type of staff at the end of the year.

Note 5: [Calculation method] Return rate of female employees taking parental leave = total number of female employees returning to work after parental leave / total number of female employees who should return to work after parental leave.

Note 6: The number of male employees taking parental leave is newly included in the Company's statistics for 2022.

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

Indicator	Unit	2020	2021	2022
Number of employees who die at work	person	0	0	0
Rate of work-related accidents <sup>2</sup>	%	2	6	5
Number of working days lost due to work-related injury	day	97.5	127	192

Note 1: [Statistical caliber] The figures are for the full-time labor contract employee of Huatai Securities headquarters and its wholly-owned and controlled subsidiaries (excluding AssetMark).

Note 2: [Calculation method] Rate of work-related accidents = number of work-related accidents / total number of employees. Work-related injuries of the Company for 2022 were caused by traffic accidents and recreational events.

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

Indicator	Unit	2020	2021	2022	2022
Staff training attendance	person-time	2,338,658	1,396,745	1,374,058	
Total expense of staff training <sup>2</sup>	RMB10,000	1,382.64	1,421.24	1,124.00	
Coverage ratio of staff training <sup>3</sup>	%	100	100	100	
By gender	male	%	53.19	53.52	53.84
	female	%	46.81	46.48	46.16
By staff type	ordinary staff	%	86.45	81.14	79.63
	junior management	%	12.28	17.69	19.09
	senior and middle management	%	1.26	1.17	1.28

Indicator	Unit	2020	2021	2022	2022
Average training hours per capita of all staff for each year <sup>4</sup>	hour		64.06	66.80	69.19
By gender	male	hour	63.94	66.40	68.80
	female	hour	64.19	67.20	69.50
By staff type	ordinary staff	hour	55.77	59.00	61.00
	junior management	hour	114.24	95.00	98.00
	senior and middle management	hour	145.16	138.00	145.00

Note 1: [Statistical caliber] The figures in 2022 are for contract employees of Huatai Securities.

Note 2: Due to related training programs were conducted online, and the number of on-site centralized training sessions and participants decreased compared to 2021, hence, the figures of total expense of staff training for 2022 were lower than that of 2021.

Note 3: [Calculation method] Coverage ratio of staff training for each type = number of staff participating training for such type / total number of staff participating training.

Note 4: [Calculation method] Average training hours per capita of for each type of staff each year = total training hours for such type of staff / total number of such type of staff.

## Suppliers Performance Indicators<sup>1</sup>

Indicator	Unit	2020	2021	2022
Number of suppliers in Mainland China	supplier	567	524	466
Number of suppliers from Hong Kong, Macao, Taiwan and overseas	supplier	28	34	29

Note 1: [Statistical caliber] The parent company of Huatai Securities. The above data are estimates.

## Customer Service Performance Indicators

Indicator	Unit	2020	2021	2022
Number of customer consultation <sup>1</sup>	case	8,806,940	10,338,113	4,881,824
Customer satisfaction surveys conducted <sup>2</sup>	time	534,486	530,217	308,593
Customer satisfaction	%	99.72	99.57	99.62
Ratio of manual customer service to total customer service business <sup>3</sup>	%	8.81	8.31	9.22
Ratio of online customer service to total customer service business	%	14.06	5.58	5.33
Ratio of smart customer service to total customer service business	%	77.13	86.11	85.45
Number of complaints received regarding products and services <sup>4</sup>	case	218	118	106
Complaint Handling Rate	%	100	100	100

Note 1: [Statistical caliber] Inbound service volume of customer service center, manual online service volume and intelligent robot service volume.

Note 2: [Statistical caliber] The figures in 2022 and 2021 are for customer service center, while the figures in 2020 are for customer service center and business outlets.

Note 3: Manual customer service represented telephone customer service.

Note 4: [Statistical caliber]: The figure in 2022 is customer service center.

## Community Investment Performance Indicators

Indicator	Unit	2020	2021	2022
Number of staff participated in volunteering	person-time	424	308	267
Total hours contributed to volunteering by staff	hour	3,690	2,812	1,620
Total external donation investment	RMB10,000	3,240.81	4,600.16	4,282.89

## Definitions

In this report, unless the context otherwise requires, the following terms and expressions have the meanings set forth below:

Terms and expressions	Definitions
CSRC	The China Securities Regulatory Commission (中國證券監督管理委員會)
Jiangsu Securities Regulatory Bureau	Jiangsu Securities Regulatory Bureau of the CSRC (中國證監會江蘇監管局)
Shanghai Stock Exchange or SSE	The Shanghai Stock Exchange (上海證券交易所)
Shenzhen Stock Exchange	The Shenzhen Stock Exchange (深圳證券交易所)
Beijing Stock Exchange	The Beijing Stock Exchange (北京證券交易所)
HKEX	Hong Kong Exchanges and Clearing Limited (香港交易及結算所有限公司)
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited (香港聯合交易所有限公司)
London Stock Exchange or LSE	The London Stock Exchange plc (倫敦證券交易所)
Huatai Securities, Company or Parent Company	Huatai Securities Co., Ltd. (华泰证券股份有限公司)
Group, Our Group, we or us	The Company and its subsidiaries
Huatai Asset Management	Huatai Securities (Shanghai) Asset Management Co., Ltd. (華泰證券(上海)資產管理有限公司), a wholly-owned subsidiary of the Company
Huatai International	Huatai International Financial Holdings Company Limited (華泰國際金融控股有限公司), a wholly-owned subsidiary of the Company
Huatai Purple Gold Investment	Huatai Purple Gold Investment Co., Ltd. (華泰紫金投資有限責任公司), a wholly-owned subsidiary of the Company
Huatai Innovative Investment	Huatai Innovative Investment Co., Ltd. (華泰創新投資有限公司), a wholly-owned subsidiary of the Company
Huatai Futures	Huatai Futures Co., Ltd. (華泰期貨有限公司), a wholly-owned subsidiary of the Company



Huatai United Securities	Huatai United Securities Co., Ltd. ( 華泰聯合證券有限責任公司 ), a holding subsidiary of the Company
Jiangsu Equity Exchange	Jiangsu Equity Exchange Co., Ltd. ( 江蘇股權交易中心有限責任公司 ), a holding subsidiary of the Company
China Southern Asset Management	China Southern Asset Management Co., Ltd. ( 南方基金管理股份有限公司 )
Huatai-PineBridge	Huatai-PineBridge Fund Management Co., Ltd. ( 華泰柏瑞基金管理有限公司 )
Huatai Financial Holdings (Hong Kong)	Huatai Financial Holdings (Hong Kong) Limited ( 華泰金融控股 ( 香港 ) 有限公司 ), a wholly-owned subsidiary of Huatai International
AssetMark	AssetMark Financial Holdings, Inc., a wholly-owned subsidiary of Huatai International
Huatai Securities (USA)	Huatai Securities (USA), Inc. ( 華泰證券 ( 美國 ) 有限公司 ), a wholly-owned subsidiary of Huatai International
Singapore Subsidiary	Huatai Securities (Singapore) Pte. Limited, a wholly-owned subsidiary of Huatai International
Listing Rules or Hong Kong Listing Rules	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
IPO	Initial Public Offering
A Share(s)	Domestic share(s) in the share capital of the Company with nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange and traded in RMB
H Share(s)	Foreign share(s) in the share capital of the Company with nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in HK dollars
GDR	Global Depositary Receipts
TAMP	Turn-key Asset Management Platform, a technological platform providing services such as investment products and strategies, assets portfolio management, customer relationship management and asset custody, as well as corporate operation
APP	Application
Monthly activity	The number of monthly active users
China or the PRC	The People's Republic of China
Hong Kong	The Hong Kong Special Administrative Region of the PRC
Reporting Period	The year of 2022

## Report Index

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Aspects, General Disclosures and KPIs	Description	Sections
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air <sup>1</sup> and greenhouse gas emissions <sup>2</sup> , discharges into water and land, and generation of hazardous and non-hazardous waste <sup>3</sup> .	3.1 Responding to Climate Change 3.3 Promoting Green Operation
KPI A1.1	The types of emissions and respective emissions data.	Key Quantitative Performance Indicators
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Key Quantitative Performance Indicators
KPI A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production, per facility).	Key Quantitative Performance Indicators
KPI A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production, per facility).	Key Quantitative Performance Indicators
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	3.1 Responding to Climate Change
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	3.3 Promoting Green Operation
Aspect A2: Use of Resources		

Note 1: Air emissions include nitrogen oxides, sulfur oxides and other pollutants regulated by national laws and regulations.

Note 2: Greenhouse gases (GHG) include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulfur hexafluoride.

Note 3: Hazardous waste refers to those defined by national regulations.

Note 4: Resources can be used for production, storage, transportation, buildings, electronic equipment, and others.

Aspects, General Disclosures and KPIs	Description	Sections
General Disclosure	Policies on the efficiency use of resource <sup>4</sup> , including energy, water and other raw materials.	3.1 Responding to Climate Change 3.3 Promoting Green Operation
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production, per facility).	Key Quantitative Performance Indicators
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production, per facility).	Key Quantitative Performance Indicators
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Key Quantitative Performance Indicators
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Key Quantitative Performance Indicators
KPI A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	The Company's products are financial products which are not applicable for this indicator
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	3.1 Responding to Climate Change 3.3 Promoting Green Operation
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	3.1 Responding to Climate Change 3.3 Promoting Green Operation
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	3.1 Responding to Climate Change

Aspects, General Disclosures and KPIs	Description	Sections
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	3.1 Responding to Climate Change
Employment and Labor Practices		
Aspect B1: Employment		
General Disclosure	Information on: the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare.	6.1 Protecting the Rights and Interests of Employees 6.2 Empowering the Development of Employees 6.3 Motivating Employees
KPI B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Key Quantitative Performance Indicators
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Key Quantitative Performance Indicators
Aspect B2: Health and Safety		
General Disclosure	Information on: the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	6.1 Protecting the Rights and Interests of Employees 6.3 Motivating Employees
KPI B2.1	The number and rate of work-related fatalities over each of the past three years (including the reporting year).	Key Quantitative Performance Indicators
KPI B2.2	Lost working days due to work injury.	Key Quantitative Performance Indicators
KPI B2.3	Description of occupational health and safety measures adopted and how they are implemented and monitored.	6.1 Protecting the Rights and Interests of Employees

Note 5: Training refers to vocational training and may include internal and external courses paid for by the employer.



Aspects, General Disclosures and KPIs	Description	Sections
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities <sup>5</sup> .	6.2 Empowering the Development of Employees
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Key Quantitative Performance Indicators
KPI B3.2	The average training hours completed per employee by gender and employee category.	Key Quantitative Performance Indicators
Aspect B4: Labor Standards		
General Disclosure	Information on: the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced Labor.	6.1 Protecting the Rights and Interests of Employees
KPI B4.1	Description of measures to review employment practices to avoid child and forced Labor.	6.1 Protecting the Rights and Interests of Employees
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	6.1 Protecting the Rights and Interests of Employees
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	7.3 Strengthening Compliance Operation
KPI B5.1	Number of suppliers by geographical region.	Key Quantitative Performance Indicators
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	7.3 Strengthening Compliance Operation
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	7.3 Strengthening Compliance Operation
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	7.3 Strengthening Compliance Operation
Aspect B6: Product Responsibility		

Aspects, General Disclosures and KPIs	Description	Sections
General Disclosure	Information on: the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters of products and services provided and methods of redress.	5.1 Accelerating Digital Transformation 5.2 Information Security and Privacy Protection 7.3 Strengthening Compliance Operation
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The Company's products are financial products which are not applicable for this indicator
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	5.1 Accelerating Digital Transformation 5.2 Information Security and Privacy Protection 5.3 Protecting the Rights and Interests of Customers 7.3 Strengthening Compliance Operation Key Quantitative Performance Indicators
KPI B6.3	Description of practices relating to maintenance and protecting intellectual property rights.	7.3 Strengthening Compliance Operation
KPI B6.4	Description of quality assurance process and recall procedures.	The Company's products are financial products which are not applicable for this indicator
KPI B6.5	Description of consumer data protection and privacy policies and how they are implemented and monitored.	5.1 Accelerating Digital Transformation 5.2 Information Security and Privacy Protection 5.3 Protecting the Rights and Interests of Customers
Aspect B7: Anti-corruption		

Aspects, General Disclosures and KPIs	Description	Sections
General Disclosure	Information on: the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	7.3 Strengthening Compliance Operation
KPI B7.1	Number of corruption lawsuits filed and concluded against issuers or their employees during the reporting period and litigation outcome.	7.3 Strengthening Compliance Operation
KPI B7.2	Describe preventive measures and reporting procedures, as well as related implementation and monitoring methods.	7.3 Strengthening Compliance Operation
KPI B7.3	Description of anti-corruption training provided to directors and staff.	7.3 Strengthening Compliance Operation
Community		
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	3.2 Protecting Biodiversity 4.1 Promoting Rural Revitalization 4.2 Establishing Public Welfare Foundation 4.3 Supporting Rural Education Wholeheartedly
KPI B8.1	Focus on areas of contribution (e.g. education, environmental issues, labor needs, health, culture, sports).	3.2 Protecting Biodiversity 4.1 Promoting Rural Revitalization 4.2 Establishing Public Welfare Foundation 4.3 Supporting Rural Education Wholeheartedly
KPI B8.2	Use of resources (e.g. money or time) in the area of focus.	Key Quantitative Performance Indicators

## GRI Standards Index (2021) issued by Global Reporting Initiative

<b>Statement of Use</b>	Huatai Securities Co., Ltd. has reported the information cited in this GRI content index from January 1, 2022 to December 31, 2022 with reference to the GRI Standards.
<b>GRI 1 Used</b>	GRI 1: Foundation2021

GRI Standard	Disclosure	Location
GRI 2 General Disclosure 2021		
The Organizations and Its Reporting Practices		
2-1	Organization details	About This Report About Huatai Securities
2-2	Entities included in the organization's sustainability reporting	About Huatai Securities
2-3	Reporting period, frequency and contact point	About This Report Back Cover
2-4	Restatements of information	Nil
2-5	External assurance	Assurance Statement
Activities and workers		
2-6	Activities, value chain and other business relationships	About Huatai Securities
2-7	Employees	Key Quantitative Performance Indicators
2-8	Workers who are not employees	Key Quantitative Performance Indicators
Governance		
2-9	Governance structure and composition	About Huatai Securities 1.2 Strengthening ESG Management Mechanism 7.2 Improving Corporate Governance Please refer to the 2022 Annual Report of the Company
2-10	Nomination and selection of the highest governance body	1.2 Strengthening ESG Management Mechanism 7.2 Improving Corporate Governance
2-11	Chair of the highest governance body	1.2 Strengthening ESG Management Mechanism 7.2 Improving Corporate Governance

GRI Standard	Disclosure	Location
2-12	Role of the highest governance body in overseeing the management of impacts	1.2 Strengthening ESG Management Mechanism 7.2 Improving Corporate Governance Please refer to the 2022 Annual Report of the Company
2-13	Delegation of responsibility for managing impacts	1.2 Strengthening ESG Management Mechanism 1.6 Analysis of Material Topics 7.2 Improving Corporate Governance
2-14	Role of the highest governance body in sustainability reporting	Environmental, Social and Corporate Governance (ESG) Statement by the Board 1.2 Strengthening ESG Management Mechanism
2-15	Conflicts of interest	7.2 Improving Corporate Governance 7.3 Strengthening Compliance Operation
2-16	Communication of critical concerns	1.2 Strengthening ESG Management Mechanism 1.5 Communication with the Stakeholders 1.6 Analysis of Material Topics
2-17	Collective knowledge of the highest governance body Evaluation of the performance of the highest governance body	1.2 Strengthening ESG Management Mechanism 1.5 Communication with the Stakeholders 1.6 Analysis of Material Topics
2-18	Evaluation of the performance of the highest governance body	Please refer to the 2022 Annual Report of the Company
2-19	Remuneration policy	6.3 Motivating Employees 7.2 Improving Corporate Governance Please refer to the 2022 Annual Report of the Company
2-20	Process to determine remuneration	6.3 Motivating Employees 7.2 Improving Corporate Governance Please refer to the 2022 Annual Report of the Company
2-21	Annual total compensation ratio	Please refer to the 2022 Annual Report of the Company
Strategy, Policy and Practices		
2-22	Statement on sustainable development strategy	Environmental, Social and Corporate Governance (ESG) Statement by the Board 1.1 Deepening the ESG Concept 1.2 Strengthening ESG Management Mechanism

GRI Standard	Disclosure	Location
2-23	Policy commitments	Environmental, Social and Corporate Governance (ESG) Statement by the Board 1.2 Strengthening ESG Management Mechanism
2-24	Embedding policy commitments	Environmental, Social and Corporate Governance (ESG) Statement by the Board 1.2 Strengthening ESG Management Mechanism 1.4 Practicing the Concept of Responsible Investment 3.1 Responding to Climate Change 3.2 Protecting Biodiversity 3.4 Development of Green Finance
2-25	Processes to remediate negative impacts	5.3 Protecting the Rights and Interests of Customers 7.3 Strengthening Compliance Operation
2-26	Mechanism for seeking advice and raising concerns	1.5 Communication with the Stakeholders 7.3 Strengthening Compliance Operation
2-27	Compliance with laws and regulations	3.3 Promoting Green Operation 5.2 Information Security and Privacy Protection 5.3 Protecting the Rights and Interests of Customers 6.1 Protecting the Rights and Interests of Employees 7.3 Strengthening Compliance Operation
2-28	Membership associations	Honors and Recognitions 1.4 Practicing the Concept of Responsible Investment
Stakeholder Involvement		
2-29	Approach to stakeholder engagement	1.5 Communication with the Stakeholders
2-30	Collective bargaining agreements	No relevant disclosure information
GRI 3 Material Topics 2021		
3-1	Process to determine material topics	1.6 Analysis of Material Topics
3-2	List of material topics	1.6 Analysis of Material Topics
3-3	Management of material topics	1.2 Strengthening ESG Management Mechanism 1.6 Analysis of Material Topics
GRI 201 Economic Performance 2016		
201-1	Direct economic value generated and distributed	About Huatai Securities Key Quantitative Performance Indicators
201-2	Financial implications and other risks and opportunities due to climate change	3.1 Responding to Climate Change

GRI Standard	Disclosure	Location
201-3	Defined benefit plan obligations and other retirement plans	Please refer to the 2022 Annual Report of the Company
201-4	Financial assistance received from government	Please refer to the 2022 Annual Report of the Company
GRI 202 Market Presence 2016		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	No relevant disclosure information
202-2	Proportion of senior management hired from the local community	No relevant disclosure information
GRI 203 Indirect Economic Impact 2016		
203-1	Infrastructure investments and services supported	2.1 Serving the High-quality Development of Real Economies 2.2 Facilitating Regional Coordinated Development 4.1 Promoting Rural Revitalization 4.3 Supporting Rural Education
203-2	Significant indirect economic impacts	5.3 Protecting the Rights and Interests of Customers
GRI 204 Procurement Practices 2016		
204-1	Operations assessed for risks related to corruption	Key Quantitative Performance Indicators
GRI 205 Anti-Corruption 2016		
205-1	Operations assessed for risks related to corruption	7.3 Strengthening Compliance Operation
205-2	Communication and training about anti-corruption policies and procedures	7.3 Strengthening Compliance Operation
205-3	Confirmed incidents of corruption and actions taken	7.3 Strengthening Compliance Operation Key Quantitative Performance Indicators
GRI 206 Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No relevant disclosure information
GRI 207 Tax 2019		
207-1	Approach to tax	Please refer to the 2022 Annual Report of the Company



GRI Standard	Disclosure	Location
207-2	Tax governance, control and risk management	Please refer to the 2022 Annual Report of the Company
207-3	Stakeholder engagement and management of concerns related to tax	Please refer to the 2022 Annual Report of the Company
207-4	Country-by-country reporting	No relevant disclosure information
GRI 301 Materials 2016		
301-1	Materials used by weight or volume	Key Quantitative Performance Indicators
301-2	Recycled input materials used	The Company's products are financial products which are not applicable for this indicator
301-3	Reclaimed products and their packaging materials	The Company's products are financial products which are not applicable for this indicator
GRI 302 Energy 2016		
302-1	Energy consumption within the organization	Key Quantitative Performance Indicators
302-2	Energy consumption outside the organization	Key Quantitative Performance Indicators
302-3	Energy intensity	Key Quantitative Performance Indicators
302-4	Reduction of energy consumption	3.3 Promoting Green Operation
302-5	Reductions in energy requirements of products and services	No relevant disclosure information
GRI 303 Water and Effluents 2018		
303-1	Interactions with water as a shared resource	3.3 Promoting Green Operation
303-2	Management of water discharge- related impacts	3.3 Promoting Green Operation
303-3	Water withdrawal	The company is in the financial industry which are not applicable for this indicator
303-4	Water discharge	The company is in the financial industry which are not applicable for this indicator
303-5	Water consumption	Key Quantitative Performance Indicators
GRI 304 Biodiversity 2016		

GRI Standard	Disclosure	Location
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	No relevant operation sites
304-2	Significant impacts of activities, products and services on biodiversity	3.2 Protecting Biodiversity
304-3	Habitats protected or restored	No relevant disclosure information
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	No relevant disclosure information
GRI 305 Emission 2016		
305-1	Direct (Scope 1) GHG emissions	Key Quantitative Performance Indicators
305-2	Energy indirect (Scope 2) GHG emissions	Key Quantitative Performance Indicators
305-3	Other indirect (Scope 3) GHG emissions	Key Quantitative Performance Indicators
305-4	GHG emissions intensity	Key Quantitative Performance Indicators
305-5	Reduction of GHG emissions	Key Quantitative Performance Indicators
305-6	Emissions of ozone-depleting substances (ODS)	No relevant disclosure information
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Key Quantitative Performance Indicators
GRI 306 Waste 2020		
306-1	Waste generation and significant waste-related impacts	3.3 Promoting Green Operation
306-2	Management of significant waste-related impacts	3.3 Promoting Green Operation
306-3	Waste generated	Key Quantitative Performance Indicators
306-4	Waste diverted from disposal	No relevant disclosure information
306-5	Waste directed to disposal	No relevant disclosure information
GRI 308 Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	1.2 Strengthening ESG Management Mechanism 7.3 Strengthening Compliance Operation
308-2	Negative environmental impacts in the supply chain and actions taken	1.2 Strengthening ESG Management Mechanism 7.3 Strengthening Compliance Operation

GRI Standard	Disclosure	Location
GRI 401 Employment 2016		
401-1	New employee hires and employee turnover	Key Quantitative Performance Indicators
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	6.1 Protecting the Rights and Interests of Employees 6.3 Motivating Employees
401-3	Parental leave	Key Quantitative Performance Indicators
GRI 402 Labor/Management Relations 2016		
402-1	Minimum notice periods regarding operational changes	No relevant disclosure information
GRI 403 Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	6.1 Protecting the Rights and Interests of Employees 6.3 Motivating Employees 6.4 Enriching Employees' Life
403-2	Hazard identification, risk assessment and incident investigation	No relevant disclosure information
403-3	Occupational health services	6.1 Protecting the Rights and Interests of Employees 6.3 Motivating Employees 6.4 Enriching Employees' Life
403-4	Worker participation, consultation, and communication on occupational health and safety	No relevant disclosure information
403-5	Worker training on occupational health and safety	6.1 Protecting the Rights and Interests of Employees 6.3 Motivating Employees 6.4 Enriching Employees' Life
403-6	Promotion of worker health	6.1 Protecting the Rights and Interests of Employees 6.3 Motivating Employees 6.4 Enriching Employees' Life
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	6.1 Protecting the Rights and Interests of Employees 6.3 Motivating Employees 6.4 Enriching Employees' Life
403-8	Workers covered by an occupational health and safety management system	No relevant disclosure information
403-9	Work-related injuries	Key Quantitative Performance Indicators
403-10	Work-related ill health	No relevant disclosure information

GRI Standard	Disclosure	Location
GRI 404 Training and Education 2016		
404-1	Average hours of training per year per employee	Key Quantitative Performance Indicators
404-2	Programs for upgrading employee skills and transition assistance programs	6.2 Empowering the Development of Employees
404-3	Percentage of employees receiving regular performance and career development reviews	6.2 Empowering the Development of Employees 6.3 Motivating Employees
GRI 405 Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	6.1 Protecting the Rights and Interests of Employees Key Quantitative Performance Indicators
405-2	Ratio of basic salary and remuneration of women to men	Confidentiality restrictions
GRI 406 Non-Discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	6.1 Protecting the Rights and Interests of Employees Key Quantitative Performance Indicators
GRI 407 Freedom of Association and Collective Bargaining 2016		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Nil 6.1 Protecting the Rights and Interests of Employees
GRI 408 Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	Nil 6.1 Protecting the Rights and Interests of Employees
GRI 409 Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Nil 6.1 Protecting the Rights and Interests of Employees
GRI 410 Security Practices 2016		
410-1	Security personnel trained in human rights policies or procedures	No relevant disclosure information
GRI 411 Rights of Indigenous Peoples 2016		
411-1	Incidents of violations involving rights of indigenous peoples	No relevant disclosure information

GRI Standard	Disclosure	Location
GRI 413 Local Communities 2016		
413-1	Operations with local community engagement, impact assessment, and development plans	4.1 Promoting Rural Revitalization 4.2 Establishing Public Welfare Foundation 4.3 Supporting Rural Education 5.3 Protecting the Rights and Interests of Customers 5.4 Strengthening Investor Protection
413-2	Operations with significant actual and potential negative impacts on local communities	No relevant operation sites
GRI 414 Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	1.2 Strengthening ESG Management Mechanism 7.3 Strengthening Compliance Operation
414-2	Negative social impacts in the supply chain and actions taken	1.2 Strengthening ESG Management Mechanism 7.3 Strengthening Compliance Operation
GRI 415 Public Policy 2016		
415-1	Political contributions	Nil
GRI 416 Customer Health and Safety 2016		
416-1	Assessment of health and safety impacts of product and service categories	The Company's products are financial products which are not applicable for this indicator
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	7.3 Strengthening Compliance Operation
GRI 417 Marketing and Labeling 2016		
417-1	Requirements for product and service information and Labeling	7.3 Strengthening Compliance Operation
417-2	Incidents of non-compliance concerning product and service information and labeling	No relevant disclosure information
417-3	Incidents of non-compliance concerning marketing communications	No relevant disclosure information
GRI 418 Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Nil 5.2 Information Security and Privacy Protection



## ASSURANCE STATEMENT

### SGS- CSTC'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE HUATAI SECURITIES CO., LTD. FOR 2022

#### NATURE OF THE ASSURANCE/VERIFICATION

SGS-CSTC STANDARDS TECHNICAL SERVICES CO., LTD. (hereinafter referred to as SGS) was commissioned by Huatai Securities Co., Ltd. (hereinafter referred to as Huatai Securities) to conduct an independent assurance of the 2022 Corporate Social Responsibility Report (hereinafter referred to as the Report).

#### INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all Huatai Securities' Stakeholders.

#### RESPONSIBILITIES

The information in the Report and its presentation are the responsibility of Board of Directors and ESG Committee of Huatai Securities. SGS has not been involved in the preparation of any of the material included in the Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of verification with the intention to inform all Huatai Securities' stakeholders.

#### ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognised assurance guidance and standards including the principles of reporting process contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) GRI 1: Foundation 2021 for report quality, GRI 2 General Disclosure 2021 for organisation's reporting practices and other organisational detail, GRI 3 2021 for organisation's process of determining material topics, its list of material topics and how to manage each topic, and the guidance on levels of assurance contained within the AA1000 series of standards.

The assurance of this report has been conducted according to the following Assurance Standards:

- SGS ESG & SRA Assurance Protocols (based on GRI Principles and guidance in AA1000)

Assurance has been conducted at a moderate level of scrutiny.

#### SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

- HKEX Environmental, Social and Governance (ESG) Reporting Guide.
- GRI Standards 2021 (Reference)

#### ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, interviews with relevant employees located at Huatai Securities' Headquarters, Huatai Securities Plaza, No.228 Middle Jiangdong Road, Nanjing City, Jiangsu Province, P. R. China. Documentation and record review and validation with external bodies and/or stakeholders where relevant.

#### LIMITATIONS AND MITIGATION

Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

The assurance scope only covered the headquarters of Huatai Securities and did not involve assurance of the original data of other branches or subsidiaries. The data for assurance of report information was from the headquarters.

The assurance process only involved interviews with the heads of relevant departments and certain employees and consultation with relevant documents did not involve external stakeholders.

#### STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than

140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from Huatai Securities, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with CCAA Registered ISO 9001 auditor, ISO 14001 auditor, ISO 45001 auditor, CSR Lead Assuror, ISO 37001 Auditor, ISO 39604 Auditor etc.

#### **FINDINGS AND CONCLUSIONS**

##### **ASSURANCE/VERIFICATION OPINION**

On the basis of the methodology described and the verification work performed, the information and data contained within the Report verified is accurate, reliable, and provides a fair and balanced representation of Huatai Securities sustainability activities in 2022.

The assurance team is of the opinion that the Report has referred GRI Standard and was presented in accordance with the reporting principles, mandatory disclosure requirements and the KPIs disclosures of the HKEX listing rules appendix 27 'Environmental, Social and Governance Reporting Guide'.

##### **Reporting Rules**

###### **Materiality**

Huatai Securities presented the methodology for factors' materiality research and analysis, via materiality analysis, the environmental, social and governance significant issues was reported to stakeholders, which could meet the materiality principle requirement.

###### **Quantitative**

Huatai Securities conducted the statistics and analysis for KPIs, and reported the disclosures' impacts and purposes. In Report, some datas were compared with historical years, which to better assist stakeholders in evaluating and making decisions about the effectiveness of management systems.

###### **Balance**

Huatai Securities presented the balance reporting rule in the Report and reported the environmental, social and governance issues truthfully.

###### **Consistency**

Huatai Securities disclosed the methodologies with consistency for report content and data statistics at all levels in the company, in addition, remarks and interpretations were marked in the Report to assist stakeholders make a clear comparison.

##### **Findings and recommendations**

Good practices and recommendations for sustainability report and management process were described in the internal management report which has been submitted to the management of Huatai Securities for continuous improvement.

Signed:



For and on behalf of SGS-CSTC

David Xin

Sr. Director – Knowledge

16/F Century Yuhui Mansion, No. 73, Fucheng Road, Beijing, P.R. China

Mar. 23<sup>rd</sup> 2023

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RECYCLABLE

