



海通恆信國際融資租賃股份有限公司

Haitong Unitrust International Financial Leasing Co., Ltd.

(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code: 1905



2022

Environmental, Social and
Governance Report

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About the Report

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

• REPORTING STANDARDS

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

• REPORTING PRINCIPLES

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

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

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

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

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

• REPORTING LANGUAGES

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

• REPORTING SCOPE

Organizational scope: This report covers Haitong Unitrust International Financial Leasing Co., Ltd. and its subsidiaries within the scope of consolidated financial statements in the Annual Report. The table below sets out the full names and abbreviations of subsidiaries involved in this report that are within the abovementioned organizational scope.

Full name	Abbreviation
Haitong Unitrust International Financial Leasing Co., Ltd.	Haitong Unitrust/the Company
Haitong UniFortune Financial Leasing (Shanghai) Corporation	UniFortune Subsidiary
Haitong UT MSE Financial Leasing (Shanghai) Co., Ltd	MSE Subsidiary

Reporting period: From January 1, 2022 to December 31, 2022.

Issuing cycle: This report is issued annually.

• DATA DESCRIPTION

The data and cases in this report are derived from the original records or financial reports on the actual operation of the Company. The financial figures are presented in RMB. In case of any inconsistency between this report and the annual financial report, the annual financial report shall prevail. Based on the search results in environmental databases of EPMAF, in 2022, there are no negative environmental records related to the Company and its subsidiaries covered in this report.

• RELIABILITY ASSURANCE

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



ESG Management Statement of the Board

China has embarked on a new journey of building a modern socialist country following the successful convention of the 20th National Congress of the Communist Party of China in 2022. The 20th National Congress report outlines the key mission of promoting modernization with Chinese characteristics. In order to achieve the fundamental goals including high-quality development, common prosperity and harmony between humanity and nature, ESG has become an important driver for sustainable development.

Sound ESG management is essential to the sustainable and high-quality development of enterprises. Based on the ESG vision to “satisfy our shareholders, gain trust in our customers, make our employees proud, be friendly to the environment, and gain social recognition”, Haitong Unitrust is committed to promoting its development under the guidance of party building with an emphasis on the unification of economic benefits and social values business. With due consideration of our business and demand of various stakeholders, the Company enhances its ESG management through optimizing its ESG governance structure, strengthening its ESG risk management capability and tracking the progress of ESG targets, and actively integrates the ESG concept into corporate management.

Optimization of ESG structure. The Company built a top-down ESG governance structure in January 2022, whereby the Board should be responsible for supervising ESG tasks and undertaking general responsibilities, and the Environmental, Social and Governance Committee (the “ESG Committee”) of the Board was established. In August 2022, a leading group and a working group under the ESG Committee were established to ensure the continuous and effective implementation of ESG tasks of the Company.

Strengthening ESG risk management capability. In 2022, the Company formulated and issued the *Measures for ESG Risk Management Measures (Trial)*, which required to conduct quantitative assessment of the ESG management of corporate customers and set out detailed provisions for ESG due diligence and other ESG risk management procedures and processes. The formulation and introduction of relevant systems for ESG risk management has brought the ESG risk management capability of the Company to a new level.

Tracking the progress of ESG targets. In 2022, the Company continued to track the progress of environmental management targets set in 2021. Compared with the benchmark in 2021, all of the greenhouse gas emission per unit area, power consumption per unit area, and water consumption per unit area of the Company recorded a decrease. The Company will continue to improve its measures with an aim to achieve its goal by 2025.

For the management of material topics, in 2022, the Company fully launched the “Compliance and Internal Control” Campaign to strengthen all employees’ awareness of compliance and internal control and ensure the operations of the Company complying with the regulatory requirements. Measures were also taken to optimize the management of “anti-corruption and business ethics”, “human capital development” and other material topics. In respect of “serving the real economy” and “developing green finance”, the Company entered into strategic cooperation with quality customers in high-end equipment manufacturing, green leasing, digital economy and other sectors favoured and supported by the national strategies and policies, so to accelerate the progress of industrialization.



ESG Management Statement of the Board

In 2022, the ESG management of the Company was honored with “ESG Governance Demonstration Award” at the seventh session of the “Social Value Co-creation” Excellent Case Selection of Corporate Social Responsibility in China of 2022 (2022年第七屆「社會價值共創」中國企業社會責任卓越案例 — 「ESG 治理示範獎」).

Looking forward, in adherence to the spirit of the 20th National Congress of the Communist Party, the Company is dedicated to pursuing its mission of “Supporting Industries with Comprehensive Financial Services to Co-create a Better Future for Society” and its vision of “Becoming a Benchmark Financial Leasing Company in China that Lead the New Pattern of the Industry”. Committed to our practical approach, innovative endeavors, prudent initiatives and pursuit of excellence, the Company is determined to achieve high-quality development to become a benchmark financial leasing company in China with a higher position, wider vision and broader landscape by adapting to trends and seizing opportunities. In doing so, the Company aims to create sustainable value for the society.

2022 ESG Highlights of Haitong Unitrust

• ECONOMIC PERFORMANCE

Total assets as at the end of 2022: **RMB124,514 million**

Basic earnings per share attributable to holders of ordinary shares for 2022: **RMB0.17**

Profit before tax for 2022: **RMB2,056 million**

Total tax paid for 2022: **RMB1,084 million**

• SOCIAL PERFORMANCE

Total number of employees (including dispatched labours): **2,026** persons

Coverage of employee training: **100%**; average training time per employee: **36.52** hours/person

MSE Subsidiary has carried out services in 31 provinces, autonomous regions and municipalities across the country, covering more than 300 cities

The number of participants of volunteer services was **1,023** person-times and the length of volunteer activities was **2,000** hours

• ENVIRONMENT PERFORMANCE

Greenhouse gas emissions
per unit area
(scope 1 and scope 2):

0.04

ton of CO₂ equivalent/m²

Power consumption per
unit area:

70.71

kWh/m²

Water consumption per
unit area:

0.43

ton/m²

Satisfactory progress towards the target

111 energy conservation and environmental protection projects were launched with a total investment of RMB4.224 billion

UniFortune Subsidiary has provided financial support of more than RMB300 million for industrial and commercial distributed photovoltaic projects with a capacity of more than 100 MW, and supplied approximately 110 million kWh of green electricity per year to 43 power-consuming companies each year, which can reduce carbon dioxide emissions by 110,000 tons per year, equivalent to 10 million trees planted

• AWARDS AND RECOGNITIONS

In 2022, Haitong Unitrust has shown outstanding performance in fulfilling corporate social responsibility and implementing ESG management, and gained numerous recognitions by the industry and the capital market. With expanding brand influence and enhancing competitiveness, the Company has achieved co-creation and shared value between the enterprise and society, and steadily moved towards the path of high-quality and sustainable development.

2022 ESG Highlights of Haitong Unitrust

Awards and Recognitions of Haitong Unitrust in 2022

Award	Photo
The seventh session of the “Social Value Co-creation” Excellent Case Selection of Corporate Social Responsibility in China of 2022 — “ESG Governance Demonstration Award”	
2022 Top 100 Emerging Enterprises in Shanghai	
2022 Outstanding Achievement Award for Leading Enterprises in Serving the Niche Industries in the Fifth Session of China’s Financial Leasing Award Ceremony	
Outstanding Contribution Award of Corporate Social Responsibility	
Top 100 Enterprises in Huangpu District, Shanghai	



1. ESG Concept and Management

1.1 ESG CONCEPT

The Company upholds the mission of “Supporting Industries with Comprehensive Financial Services to Co-create a Better Future for Society” and the vision of “Becoming a Benchmark Financial Leasing Enterprise in China that Can Lead the New Pattern of the Industry”. With the ESG vision to “Satisfy Our Shareholders, Gain Trust in Our Customers, Make Our Employees Proud, Be Friendly to the Environment, and Gain Social Recognition”, the Company is committed to promoting sustainable business through comprehensive ESG management, and strives to provide innovative, customized and comprehensive financial services, and to collaborate and create value with important stakeholders such as shareholders, customers, employees, government and regulatory agencies, suppliers and partners, and communities.

1.2 ESG MANAGEMENT

The close attention of senior management and full participation of all staff help to establish a vertical ESG management mechanism. In January 2022, the Company established a top-down ESG governance structure, with the Board participating in the review and decision-making of major ESG issues, supervising the Company’s ESG tasks, and undertaking general responsibilities. The Board established the ESG Committee to guide and supervise ESG tasks under its authorization. In August 2022, the Company established an ESG leadership group and a working group under the ESG Committee to ensure the continuous and effective development of ESG tasks and constantly improve the level of ESG tasks.

1. ESG Concept and Management

ESG Management Structure of Haitong Unitrust

The Board

Supervising ESG work and shouldering overall responsibilities for the ESG work

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

ESG Committee

Guiding and supervising ESG work under the authorization of the Board

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

ESG Leading Group

- to review and formulate the overall ESG strategy, including ESG concept, objectives and policies of the Company;
- to formulate ESG work plans, manage and implement material ESG topics;
- to preliminarily identify and assess ESG-related risks and opportunities;
- to preliminarily review the Company's annual ESG report and other ESG-related disclosure information;
- to regularly report on the progress of ESG tasks to the ESG Committee and the Board.

ESG Working Group

Implementing the ESG work practically

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

1. ESG Concept and Management

The Board fully performed its duties of considering, decision-making and supervising on ESG issues. In 2022, the Company held 12 Board meetings to consider and approve proposals related to the corporate governance, information disclosure, risk management and community charity as well as other ESG issues. The Company held one ESG Committee meeting to consider and approve the Environmental, Social and Governance Report for 2021.

ESG Issues Considered by the Board of Haitong Unitrust in 2022

ESG topics	Proposal
Corporate governance	The establishment of the ESG Committee, the amendments to the <i>Articles of Association of Haitong Unitrust International Financial Leasing Co., Ltd. (the "Articles of Association")</i> , the <i>Rules of Procedures for the Board of Directors of Haitong Unitrust International Financial Leasing Co., Ltd.</i> and other policies were considered and approved.
Information disclosure	The <i>2021 ESG report</i> which contained the action to cope with climate change, employee development and training, customer services and communication, was considered and approved.
Risk management	The amendments to the <i>Administrative Measures for Comprehensive Risk Management</i> (《全面風險管理辦法》), and 2021 annual risk evaluation report and 2022 interim risk evaluation report were considered and approved to supervise the establishment, implementation and operation of risk management system.
Compliance operation	The 2021 Compliance Report was considered and approved to supervise the compliance operation of the Company.
Community charity	The <i>Proposal on the General Authorization for Donations beyond the Company's Budget</i> (《關於對公司預算外捐贈的一般性授權的議案》) was considered and approved.

1. ESG Concept and Management



CASE: Specialized ESG Training Enhances ESG Awareness for the Board and All Employees

To enhance the awareness of all employees on the ESG vision and concept and promote the achievement of ESG objectives, in October 2022, the Company invited external professional organizations to provide ESG training with the theme of “Latest Regulatory Requirements and Prospects for ESG”, which covered ESG background and trends, the latest requirements on ESG governance and information disclosure of the Hong Kong Stock Exchange, cases study on ESG practices of domestic and overseas peers. The training courses have been uploaded to Haitong Wealth Research Institute for all employees of the Company, so as to effectively enhance the knowledge and professional skills of all employees in ESG.



ESG最新监管要求和前景展望

课件 1: ESG最新监管要求和前景展望

1.3 COMMUNICATION WITH STAKEHOLDERS

Based on the characteristics of the industry and its operation, Haitong Unitrust identifies and regards its shareholders, customers, employees, the government and regulators, its suppliers and partners and community as its six major stakeholders. It actively expands communication channels with stakeholders during different processes of regularly operating services and fully listens to the comments and responses from the stakeholders. It has also optimized its ESG management efforts to create sustainable value for stakeholders.

1. ESG Concept and Management

Expectations of Key Stakeholders Haitong Unitrust of and Responses

Key stakeholders	Material topics	Communication and responses
Shareholders	Corporate governance Compliance operation Risk management Anti-corruption and business ethics	General meetings of shareholders Regular information disclosure Investor communication meetings Compliance management Comprehensive risk management system Anti-corruption system
Customers	Serving the real economy Financial technology Information security and customer privacy protection Customer service and communication Inclusive finance Responsible marketing	Real economy business support Customer service center Customer seminar Customer privacy protection system The Company's official website, WeChat official account and other platforms Customer acquisition app and electronic contract signing system
Employees	Employee rights and benefits Employee health and safety Human capital development	Employee training system Welfare security system Performance appraisal and promotion
Government and regulators	Compliance operation Risk management Anti-corruption and business ethics Serving the real economy	Cooperation in regulators' inspection Comprehensive risk management system Complaint and report mechanism construction Real economy business support
Suppliers and partners	Supplier management Anti-corruption	Formulating purchasing management rules Bidding activities Industry cooperation and exchange
Community	Rural revitalization and community charity Climate change mitigation and adaptation Green finance Green operation Serving the real economy Inclusive finance	Charity activities Volunteer services Identifying and coping with the climate-related risks and opportunities Developing green financial business Green operation Support real economy such as energy conservation and environmental protection industry

1. ESG Concept and Management

1.4 IDENTIFICATION AND ANALYSIS OF MATERIAL TOPICS

Based on the vision, values and industry characteristics of Haitong Unitrust, the Company benchmarks ISO 26000 and other international standards, identifies 18 material topics, and conducts targeted management in accordance with the ESG information disclosure requirements of the Hong Kong Stock Exchange and domestic macro and industry policies, and with reference to international ESG rating agencies such as MSCI and CDP and industry focus.

Main Changes on Material Topics of Haitong Unitrust in 2022

Material Topics in 2021	Material Topics in 2022	Reasons of Changes
Employee development and training	Human capital development	Expanding on the topic content to meet the disclosure requirements of the Hong Kong Stock Exchange, and responding to the focus areas of ESG rating agencies such as MSCI and the capital market
Anti-corruption	Anti-corruption and business ethics	
Supply chain management	Supplier management	Revised wordings are more in line with the common expressions
Compliance operation	Compliance operation	
Volunteer services	Rural revitalization and community charity	In response to the national policy of supporting rural revitalization, the description has been combined and covered the meanings of the two original topics, making the disclosure more concise
Community investment		

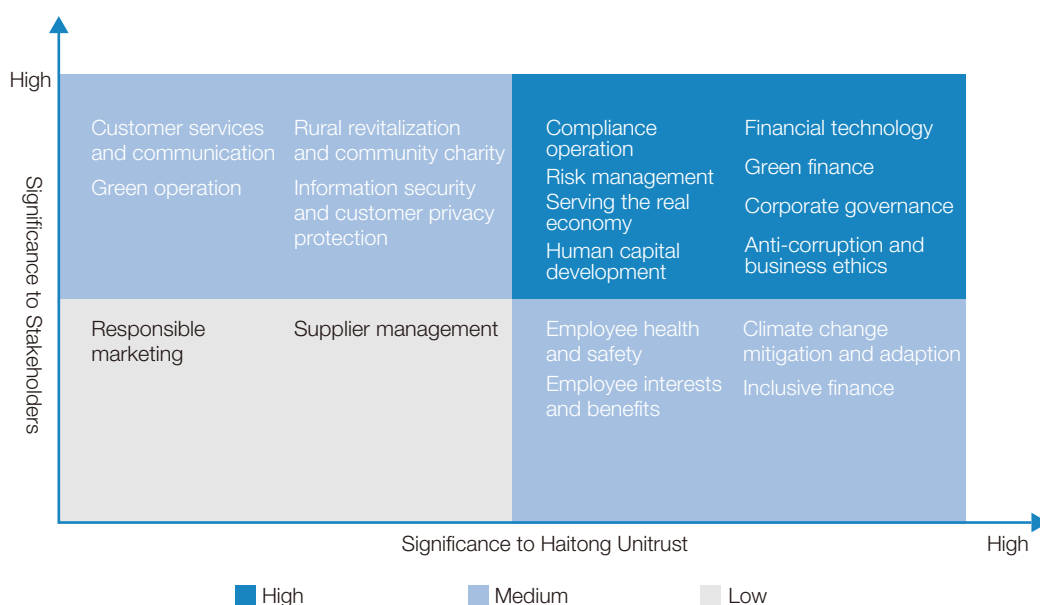
In 2022, the Company conducted a survey in the form of a questionnaire to communicate with key stakeholders and identify their focus areas based on the importance of material topics to the Company' operations and to stakeholders. With this information, the Company worked with experts to prioritize the importance of material topics based on the identified focus areas of different stakeholders.

1. ESG Concept and Management

Analysis Process of Material Topics of Haitong Unitrust



Matrix of Material Topics of Haitong Unitrust in 2022



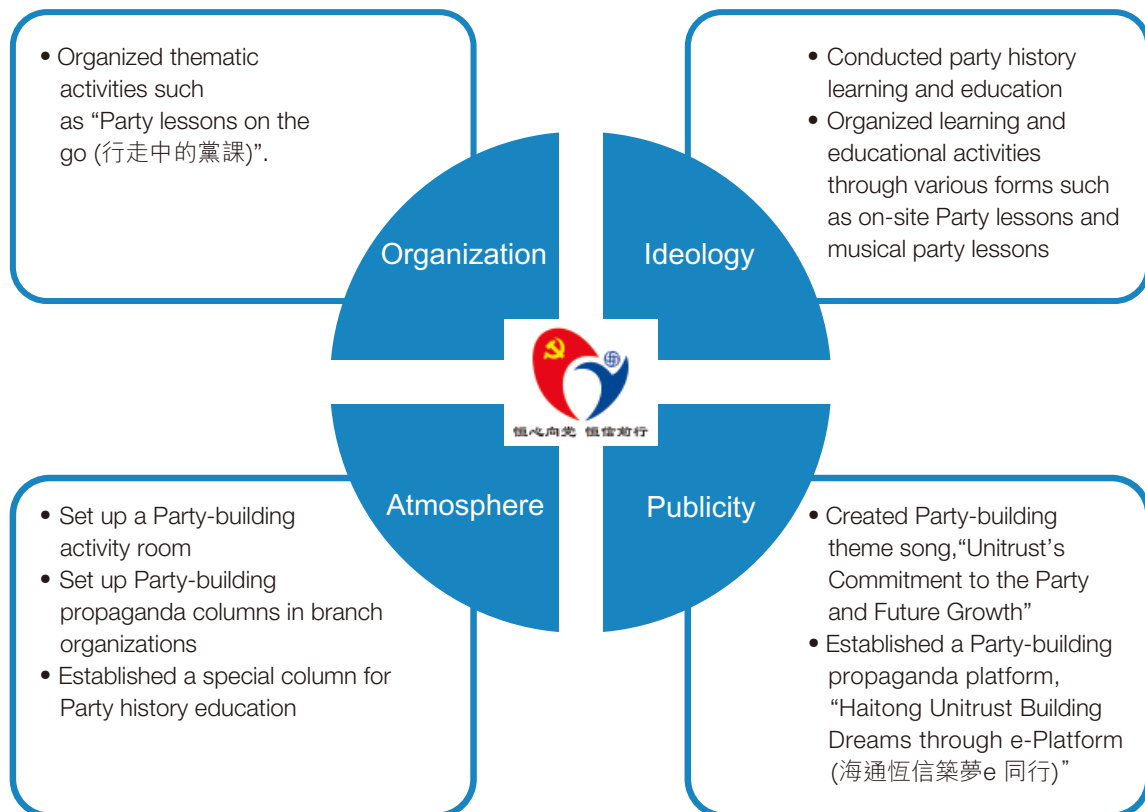
2. Consolidating Foundation and Enhancing Governance

2.1 DEVELOPMENT GUIDED BY PARTY BUILDING

Haitong Unitrust has comprehensively implemented the strict requirements of the Party's governance, focusing on its main responsibilities and business, strengthening its sense of responsibility, and comprehensively improving its Party building work under the new situation. With the goal of promoting the deep integration of Party building and business operation, the Company has revised the *Implementation Measures for the Three Key and One Major Decision-Making System* (《貫徹落實三重一大決策制度實施辦法》) to further improve the decision-making mechanism that implement democratic centralism and enhance the level of scientific, democratic and lawful decision-making.

In 2022, the Company has entered into the *Commitment on Comprehensive Implementation of Strengthening Party Conduct and Organizational of Division of the Communist Party in 2022* (《2022年海通恆信推進全面從嚴治黨加強黨風廉政建設責任約定書》) through the OA system, and formulated the *Appraisal of Performance of Major Department Heads under the One-post two-role System for 2022* (《公司各單位主要負責人「一崗雙責」2022年度考核指標》). The responsibilities of Department Heads are specified to align the party development initiatives with the operation and development of the Company through synchronized planning, deployment, implementation and assessment.

The Company has built a systematic party-building culture through a combination of organization, ideology, atmosphere and publicity. In 2022, the Party-building brand of Haitong Unitrust, "Unitrust's Commitment to the Party and Future Growth (恆心向黨 恆信前行)", was awarded the "Shanghai State-owned Enterprise Party-building Cultural Brand (上海國企黨建文化品牌)".



2. Consolidating Foundation and Enhancing Governance



CASE: Haitong Unitrust Actively Organized Activities of the Party Organisations

In anticipation of the convention of the 20th CPC National Congress, the party organisations of Haitong Unitrust at all levels took the initiatives to strengthen their political leadership role and enhance the learning enthusiasm and ideological level of all party members through organising various activities such as special seminars of CPC and CPC Day event.



Leaders of the Company and member representatives of various Party (general) branches were watching the live broadcast of the 20th CPC National Congress

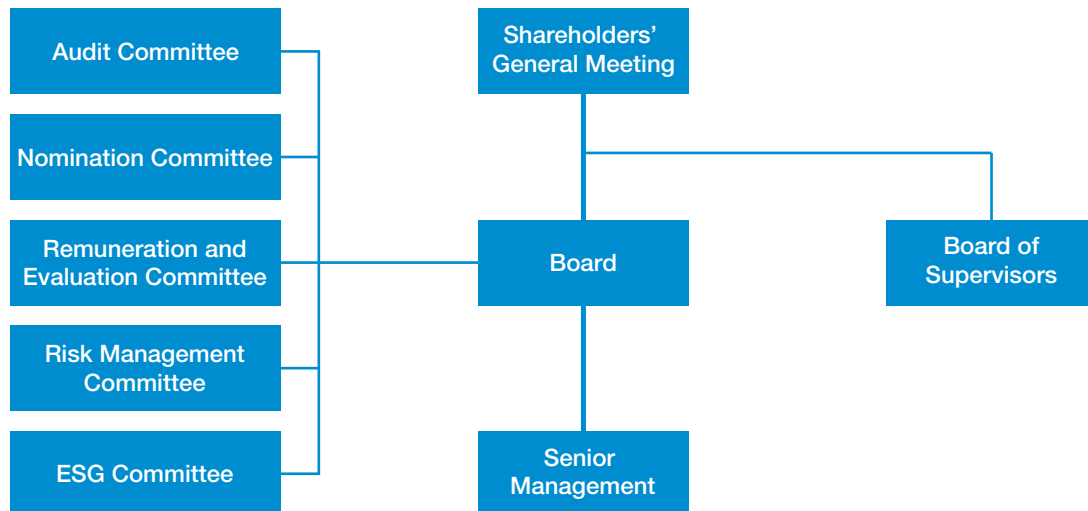
2. Consolidating Foundation and Enhancing Governance

2.2 ENHANCING CORPORATE GOVERNANCE

- **Governance Improvement**

Robust corporate governance is the foundation for ensuring the Company operates in a stable and sustainable manner. In strict accordance with the *Company Law of the People's Republic of China* (《中華人民共和國公司法》), the *Listing Rules* of the Hong Kong Stock Exchange and requirements of related laws and regulations, the Company has established a corporate governance structure comprising the general meeting of Shareholders, the Board of Directors and the Board of Supervisors (the “Three Meetings”) as well as senior management, so as to ensure that the authority unit, decision making unit, supervisory unit and execution unit duly perform their duties and operate effectively. The Company has established the Audit Committee, the Nomination Committee, the Remuneration and Evaluation Committee, the Risk Management Committee, the ESG Committee under the Board, which are responsible for supervision, decision-making, making recommendation and consultation in specific areas.









Management Structure of Haitong Unitrust



The Board of the Company adheres to the principle of diversity and fully takes account to skills, industry background, gender, academic background and other factors to ensure the diversity of the Board. The Board consists of 11 directors, including four independent non-executive Directors and two female Directors. Members of the Board possess professional competence in financial management, risk management, business knowledge, and have rich industry experience to ensure the accuracy and rationality of the Company's decision-making.

2. Consolidating Foundation and Enhancing Governance

The Composition of the Board and the Convening of Three Meetings of Haitong Unitrust in 2022

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

- **Improvement of information disclosure**

The Company discloses its information in a true, accurate, complete, timely and fair manner according to the regulatory documents such as the *Company Law of the People's Republic of China*, the *Listing Rules* of the Hong Kong Stock Exchange and other related requirements of applicable laws and regulations.

In 2022, the Company conducted effective information disclosure regularly and from time to time through issuing monthly return on movements in securities, overseas regulatory announcements, reports on major events, notices of the general meetings of Shareholders and periodic reports. A total of approximately 130 announcements were published.

- **Investor Relations Management**

In order to regulate its investor relations management, the Company conveyed the operation information and results of the Company to investors through publishing announcements on the Hong Kong Stock Exchange, the website of the Company, official WeChat account and social media platforms. The Company is committed to improving the communication with its investors through adequate information disclosure and deepening their understanding and recognition of the Company, thereby improving the integrity of the Company and creating a positive image in the capital market.

In 2022, the Company held one annual general meeting and three extraordinary general meetings, totalling four physical shareholders' meetings. During the meetings, the Company reported and communicated with major investors on various matters related to the Company's performance and operations, and received positive feedback.

2. Consolidating Foundation and Enhancing Governance

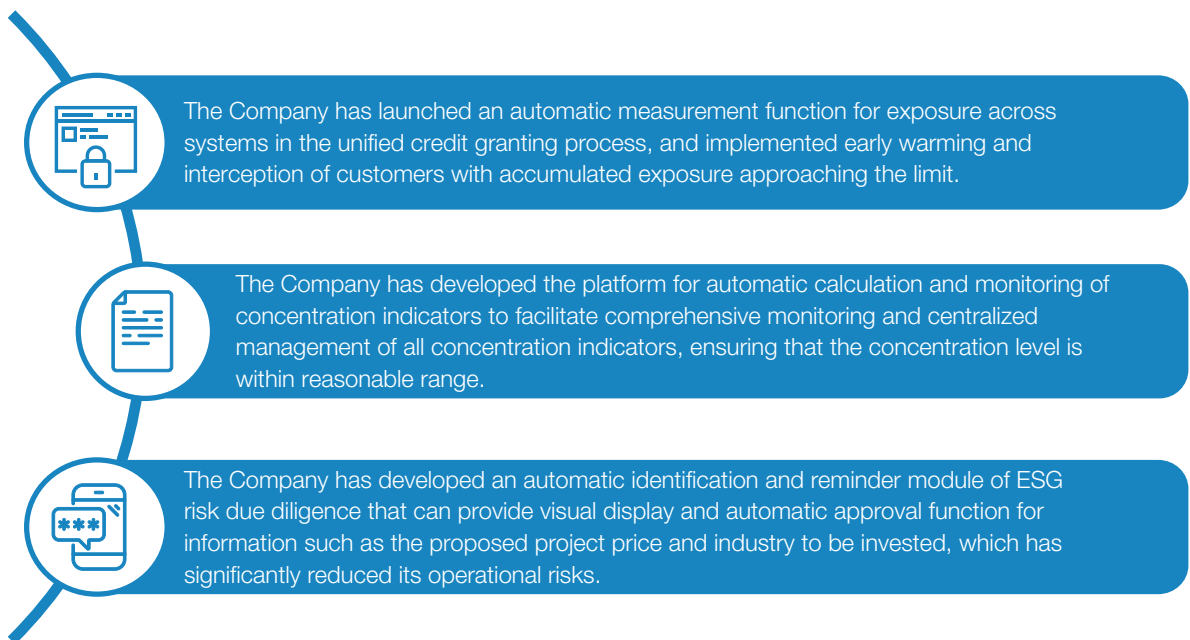
2.3 RISK AND COMPLIANCE MANAGEMENT

- **Risk Management**

Haitong Unitrust has continued to refine its comprehensive risk management system. The sound but flexible risk policies of the Company specifies that the Board shall be responsible for the overall risk management and the Risk Management Committee shall be established to perform the corresponding functions. The risk management framework of the Company is based on three lines of defence, including various business and functional departments, risk management department, audit department and disciplinary inspection room. The Company uses the “comprehensive risk management system and internal control management system” as the main approach and adheres to the risk culture concept that business efficiency and effectiveness should be matched. The Company implements risk control requirements in various performance management indicators in order to identify, control and mitigate risk exposures.

The Company has emphasized on its data-based, quantification-oriented, research-driven and Fintech-enabled features to extensively enhance its risk management capability and level. Various risk management measures have been embedded in its business operations, in order to further enhance the systemization and refinement level of risk management.

Fintech Helps to Enhance Comprehensive Risk Management



2. Consolidating Foundation and Enhancing Governance

The Company places great emphasis on ESG risk management. In 2022, the Company formulated the *ESG Risk Management Measures (Trial)* (《ESG風險管理辦法(試行)》) based on the ESG management requirements of its parent company, Haitong Securities and the actual situation of Haitong Unitrust. The Company quantitatively evaluates the ESG management level of its customers and refines the processes and details of ESG due diligence and other ESG risk management requirements. The ESG due diligence method of the Company mainly involves using the ESG due diligence evaluation form to check whether its customers are involved in relevant negative events, and verifying whether they meet the relevant requirements by requesting them to provide relevant materials or commitment letters based on the evaluation criteria.

Customer ESG Due Diligence System of Haitong Unitrust

Dimensions of ESG risk evaluation	<p>The ESG due diligence evaluation system includes three main areas of environmental (E), social (S), and governance (G), with core issues and key indicators. Industry-specific ESG risk issues are included in the ESG due diligence evaluation system for different industries, and the weighting of issues will be adjusted based on characteristics of the industries.</p> <ul style="list-style-type: none">• Environmental (E): emissions and waste management and climate change response• Social (S): employees management and supply chain management• Governance (G): business ethics
ESG risk trigger points and corresponding measures	<p>Risk trigger points:</p> <ul style="list-style-type: none">• For customers with potential high ESG risks, when the accumulated risk exposure with the Company exceeds a certain amount, business units are required to conduct an ESG due diligence.• Customers who have experienced significant negative ESG events or whose ESG risk assessment results fall below the prescribed threshold are identified as customers with high ESG risks. <p>Corresponding measures:</p> <ul style="list-style-type: none">• For customers identified as those with high ESG risks, the business unit must conduct a prudent evaluation of their ESG risks and develop an ESG risk response plan before entering into any formal business cooperation with them.• For customers in the business continuity period, regular or irregular ESG risk re-evaluations shall be conducted, and response measures shall be taken to mitigate risks, and ESG risk response plans shall be formulated.

2. Consolidating Foundation and Enhancing Governance

In 2022, based on relevant requirements of the above ESG risk management measures, the Company conducted ESG due diligence investigation on customers. The ESG due diligence investigation results indicated that none of the customers under investigation were identified as those with high ESG risks by Haitong Unitrust, and therefore, we were able to proceed with business with them as usual.



CASE: Haitong Unitrust Conducted ESG Due Diligence on a Customer which Engaged in Chemical Industry

The customer is a company engaged in the mining industry — coal and consumable fuels sector, and was identified by the relevant departments of Haitong Unitrust as operating in an industry with high ESG risks defined by the Company. Therefore, in accordance with the requirements of the *ESG Risk Management Measures (Trial)* (《ESG風險管理辦法(試行)》), the Company conducted an ESG due diligence on the customer based on the relevant indicators of the ESG due diligence and evaluation system.

During the process of the ESG due diligence, Haitong Unitrust evaluated the customer based on ESG supporting materials, and considered that the 2022 ESG due diligence evaluation result of the company met the requirements and Haitong Unitrust did not classify the customer as a customer with high ESG risks, and therefore, we were able to proceed with business with it as usual.



CASE: Haitong Unitrust Conducted ESG Risk Management Training

Haitong Unitrust organized two ESG risk management training courses in April and July 2022, respectively, focusing on ESG management systems and ESG due diligence rating considerations. The training courses were conducted online and attended by approximately 200 employees, including business unit personnel and credit approval staff from all of our business units. The training courses had an annual viewing count of approximately 2,400 times.



Screenshot of online ESG risk management training

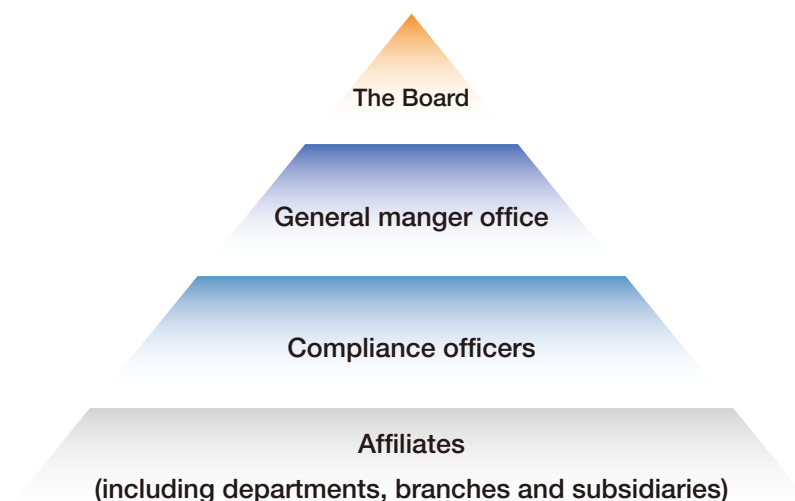
2. Consolidating Foundation and Enhancing Governance

- **Compliance Management**

Haitong Unitrust adheres to its compliance concept of “Compliance in Operation and of All Employees and the Management, as Compliance is Vital for Creation of Value and Fundamental for the Existence of the Company” and continuously strengthens its compliance governance capabilities. The Company actively takes measures to respond to regulatory requirements, optimize its system management, and strengthen the integration of its business with policies.

In 2022, the Company formulated the *Guidelines for Compliance of Institutional Customers’ Financial Leasing Business* (《機構法人客戶融資租賃業務合規指引》) to improve the compliance requirements for financing subject, repayment sources and guarantee measures.

Level of Compliance Management System of Haitong Unitrust



In 2022, the Company launched the “Compliance and Internal Control Culture Building” campaign. Through various measures such as compliance review, inspection and assessment, the Company monitored the implementation of various systems and effectively implemented the spirit of managing people and things through systems. In addition, based on actual circumstances, the Company carried out a variety of activities with rich content to continuously strengthen the compliance management of all employees and further enhance its compliance and internal control management.

2. Consolidating Foundation and Enhancing Governance

Special Compliance Inspection of Haitong Unitrust

1

Compliance checks were conducted on the personal business to strengthen compliance risk prevention and improve the level of internal management refinement.

2

Special inspections were carried out on hospital projects to verify the implementation of policies and prevent compliance risks.

3

The Company organized all business headquarters and branches to conduct comprehensive self-inspections on the uses of funds related to certain projects.



CASE: “Compliance and Internal Control Culture Building” Campaign Organized by Haitong Unitrust

In August 2022, in order to enhance the awareness and capabilities of its business units to “learn, observe and apply” the rules and regulations, the Company organized a competition among its business units to “learn, observe and apply” the rules and regulations. A total of 112 business personnel participated in the competition, achieving the goal of “promoting education and learning through competition”.



The scene of the competition to “learn, observe and apply” the rules and regulations

2. Consolidating Foundation and Enhancing Governance



CASE: Sharing Session on Compliance

In October 2022, the Company conducted the sharing session, “Practicing Prudent Operation and Diligently Fulfilling Duties” (《堅守審慎經營 切實勤勉履職》) with the Chongqing branch. During the session, we exchanged and shared ideas with our employees on how to identify risks and fulfill their duties diligently in project operations. This further enhanced their awareness of risk prevention.



The scene of the sharing session on compliance

- **Anti-money Laundering**

The Company performs its anti-money laundering duties and responsibilities according to the applicable laws and regulations such as *Anti-Money Laundering Law of the People's Republic of China* (《中華人民共和國反洗錢法》). The Company has engaged part-time anti-money laundering personnel to assist in its anti-money laundering efforts. In 2022, the Company reported zero violations related to money laundering.

- **Intellectual Property Protection**

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

The Company has completed the software copyright registration for its main core business system and obtained a legal software copyright registration certificate. In 2022, the Company did not experience any incidents of infringement of intellectual property rights of others.



2. Consolidating Foundation and Enhancing Governance

2.4 ADHERING TO BUSINESS ETHICS

- **Anti-corruption**

Haitong Unitrust actively cultivates a culture of integrity and enhances employees' self-discipline awareness to prevent them from violating regulations and rules. Integrating ethical guidelines with management requirements, the Company promotes ethical conduct among its employees with relevant training and requires them to sign an integrity and compliance commitment letter. The Company also organizes activities such as watching warning education videos to establish a comprehensive standard for ethical behavior.

During two manager working meetings in 2022, the Company successively conducted the meetings with themes of legal education entitled "Learning from cases, observing the laws, preventing small problems from getting worse, and guarding against the bottom line (以案為鑒知敬畏、防微杜漸守底線)" and "Upholding moral integrity, promoting anti-corruption, and complying with laws and regulations (尚德清風頌廉潔 明法合規守底線)", respectively. The Company also conducted five warning education sessions titled "Upholding moral integrity, achieving results, studying and understanding the laws, and learning from cases (崇德守紀 有所作為 學法懂法 以案為鑒)" for UniFortune Subsidiary. A total of 858 person-times participated in the anti-corruption related training for employees of the Company throughout the year.

2. Consolidating Foundation and Enhancing Governance



CASE: Anti-corruption Training Titled “Upholding Moral Integrity, Achieving Results, Studying and Understanding the Laws, and Learning from Cases (崇德守紀 有所作為 學法懂法 以案為鑒)” Organized by Haitong Unitrust

To enhance employees' awareness of integrity and compliance, Haitong Unitrust organized a training course on integrity for UniFortune Subsidiary, under the theme of “Upholding moral integrity, achieving results, studying and understanding the laws, and learning from cases (崇德守紀 有所作為 學法懂法 以案為鑒)”. The training analyzed typical cases in the field of vehicle financing and leasing from various aspects such as management, business operation, regulations and cases to strengthen the warning and deterrent effects, with an aim to enhance the awareness on laws and regulations among all of its employees and to eliminate any blind spots in their legal concepts.

After the training, UniFortune Subsidiary arranged an activity called “Talk about Feelings and Share Experiences”, in which department heads summarized and spoke about the training to further reinforce its effects. More than 200 participants, including executives, department heads and supervisors of UniFortune Subsidiary, participated in such activity.



Anti-corruption training titled “Upholding moral integrity, achieving results, studying and understanding the laws, and learning from cases (崇德守紀 有所作為 學法懂法 以案為鑒)”

In respect of business ethics audit, the Company regularly performs various internal audit works, including routine audits, outgoing audits, special audits and inspections, so as to ensure that all employees abide by the *Employee Code*, anti-corruption and other relevant laws and regulations and the rules and regulations of the Company.

In 2022, the Company formulated the *Regulations on the Handling of Complaints* (《信訪工作規定》) to effectively safeguard the legitimate rights and interests of its employees, promote the implementation of responsibilities in handling complaints, and ensure the stable operation of the Company and safety of its employees. In addition, the Company formulated the *Administrative Measures for Discipline Inspection, Supervision and Complaint* (《紀檢監察信訪工作管理辦法》), the *Implementation Rules for Supervision and Enforcement of Discipline*

2. Consolidating Foundation and Enhancing Governance

Inspection and Supervision Departments (Provisional) (《紀檢監察部門監督執紀工作實施細則(暫行)》), which stipulate the whistle-blowing channels. Whistle-blowers may report any violation of the Party discipline and the rules of the Company by cadres to relevant departments of the Company by letter, phone, fax, visit, email or other means. In addition, the Company provides effective channels for complaining “four forms of decadence”, such as hotlines and email address, through OA office system.

In respect of whistle-blower protection, the Company stipulates that “the name, identity, department and relevant information of whistle-blowers shall not be disclosed without their consent”. In addition, the *Implementation Rules for Supervision and Enforcement of Discipline Inspection and Supervision Departments* (《紀檢監察部門監督執紀工作實施細則(暫行)》) and the *Administrative Measures of Employees for Non-compliance with Rules and Regulations* (《工作人員違反規章制度行為處罰管理辦法》) also stipulated that it must protect whistle-blowers’ real names and seriously investigate and punish any retaliatory behaviors that violate rules and regulations, so as to effectively protect the legitimate rights and interests of whistle-blowers.

In 2022, the Company did not experience any bribery litigation cases.

- **Supplier Management**

Suppliers of the Company are mainly companies in sectors such as IT, engineering, equipment, service and low value consumables. The Company strictly complies with the *Government Procurement Law of the People’s Republic of China* (《中華人民共和國政府採購法》), the *Bidding Law of the People’s Republic of China* (《中華人民共和國招標投標法》) and other laws and regulations. The Company has formulated the *Measures for Management of Purchasing* (《採購管理辦法》) and the *Requirements for Selection and Management of Bidding Agencies* (《招標代理機構選用及管理要求》), which standardize the entire process of procurement, clarify the management responsibilities of relevant departments towards suppliers, and regulate procurement management.

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

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

In 2022, the Company was not aware of any violations of suppliers in terms of business ethics, environmental protection and labour codes, etc. that cause major actual or potential adverse impacts.

3. Forging Ahead and Serving the Real Economy

3.1 DEVELOPING GREEN FINANCE

Adhering to green development concepts such as low-carbon, environmental protection, and sustainable development and in compliance with the national goals and plans for green and low-carbon development as well as relevant laws, regulations and industrial policies related to environmental protection, Haitong Unitrust actively develops businesses in the field of environmental protection and clean energy with focus on integrated handling and sanitation of kitchen wastes, sludge, hazardous wastes and other sectors, and is committed to building a green ecological industrial system.

In 2022, the Company conducted in-depth researches of the green industries and formulated and issued internal documents including the “Green Rooftop” Product Operation Plan (《「綠色屋頂」產品操作方案》), Green Lease Guidelines (綠色租賃指引), Operation Manual for Self-Generated Products of Distributed Photovoltaic Owners (Trial) (《分佈式光伏業主自投產品操作手冊(試行)》), and the Operation Plan for “Green Charging Pile” No. 1 Tested Product (Trail) (《「綠色充電樁」1號產品試單操作方案(試行)》), to guide and promote the development of the Company’s green business and support the development of green and low-carbon industry.

In 2022, the Company provided financing for 111 energy conservation and environmental protection projects with an investment amount of RMB4,224 million.



CASE: Haitong Unitrust Assisted in the Disposal Project of Hazardous Wastes to Alleviate the Local Environmental Pollution Problem Caused by Hazardous Wastes

A Company Limited (“Company A”) is a provider of comprehensive hazardous waste services which integrate investment, design, construction and operation, primarily engaging in the disposal and treatment of hazardous wastes and polluted soil, fly ash and sludge, as well as auxiliary services including harmless treatment and resource utilization.

The Company helped Company A pay for the construction of two hazardous waste disposal projects through financing with a total amount of over RMB100 million. Under the 30,000 tons/year recycling project of waste organic solvents, Company A resells the solvents recycled to the local industrial parks and enterprises nearby, providing comprehensive solutions for the waste organic solvents and achieving industrial waste reduction and harmless treatment. The completion of Company A’s 60,000 tons/year collaborative treatment of hazardous waste project by cement kilns can effectively alleviate the local environmental pollution caused by hazardous waste, and assist the cooperative cement plants in transforming into green and environmentally friendly enterprises.

3. Forging Ahead and Serving the Real Economy



CASE: Haitong Unitrust Assisted a Kitchen Waste Disposal Enterprise in Financing

Wuxi B Company Limited ("Company B") is a company specializing in the design, research and development, sales and project operation of environmental protection equipment such as disposal of kitchen wastes, sewage and leachate. It has eight self-operated and entrusted kitchen waste disposal projects, with a maximum disposal capacity of 1,500 tons/day in total.

The Company helped Company B pay for the construction of two kitchen waste disposal projects. The disposal capacity of the financed projects is 350 tons/day, and the annual volume of kitchen waste disposed is 127,800 tons. Being local franchised projects, these projects not only facilitates the collection, transportation and harmless treatment of local food waste, but also realize the effective utilization of useful resources in the food waste.



CASE: Haitong Unitrust Participated in the Centralized Signing Campaign of Shanghai's Banking Industry to Support the Development of Green Lease

At the "Banks and Leasing Companies Join Hands to Support High-Quality Development of Green and Low-carbon Industry — Centralized Signing Campaign of Shanghai's Banking Industry to Support the Development of Green Lease (銀租共振 攜手助力綠色低碳產業高質量發展 — 上海市銀行業支持綠色租賃發展集中簽約活動)" held in October 2022, 17 major banking institutions agreed on the intention to provide an additional of RMB280 billion investment and financing amount in total for the financial leasing industry in Shanghai to support the business development of financial leasing companies in green and low carbon industries. Through this initiative, banks and leasing companies can collaborated to support the development of real economy.

The green ABCP assets-backed notes (綠色ABCP資產支持票據項目) issued by the Company was honored as the "Major Green and Low-carbon Project under the Lending and Leasing Model" (銀租聯動重大綠色低碳項目). The project has an issue size of RMB1 billion, with underlying assets of water supply, sewage treatment, green transportation, biomass resource utilization and hazardous waste disposal projects. It mainly invests in clean energy, energy conservation and environmental protection sectors in order to contribute to the national strategic goals of "emission peak and carbon neutrality".



Major Green and Low-carbon Project under the Lending and Leasing Model

3. Forging Ahead and Serving the Real Economy



CASE: Haitong Unitrust Entered into Contract for the First ESG-linked Syndicated Loan in the Financial Leasing Industry of Shanghai

In October 2022, Haitong Unitrust successfully entered into contract for an ESG-linked syndicated loan ("Syndicated Loan"). The Syndicated Loan amounts to RMB1 billion with a term of three years, and the loan interest rate is linked to the sustainable development performance targets.

According to the appraisal and certification of China Chengxin Green Finance Technology (Beijing) Limited, this project, being the first ESG-linked syndicated loan issued in the financial leasing industry in Shanghai, has achieved breakthrough in the limitation of use and pricing mechanism of traditional green financing structurally and realized innovation of green finance.

3.2 FACILITATING INFRASTRUCTURE CONSTRUCTION

Haitong Unitrust pays great attention to the support of people's livelihood related projects and facilitates the construction of infrastructure through services such as finance lease.

2022 Fundamental Infrastructure Development Achievements

Service Sectors	2022 Achievements
Urban utilities	The Company provided financing for 98 projects during the year, and the balance of interest-earning assets amounted to approximately RMB19.964 billion as of the end of 2022.
Energy and environmental protection	The Company provided financing for 173 projects during the year, and the balance of interest-earning assets amounted to approximately RMB16.470 billion as of the end of 2022.
Construction	The Company provided financing for 689 projects during the year, and the balance of interest-earning assets amounted to approximately RMB14.624 billion as of the end of 2022.
Healthcare	The Company provided financing for 520 projects during the year, and the balance of interest-earning assets amounted to approximately RMB7.217 billion as of the end of 2022.

In 2022, in terms of construction of fundamental infrastructure including public transportation, education services and healthcare, the Company provided integrated financial solutions to satisfy the capital and equipment procurement requirement of customers.

3. Forging Ahead and Serving the Real Economy

- **SUPPORTING THE DEVELOPMENT OF PUBLIC TRANSPORTATION INDUSTRY**

The Company provides financing for public transportation enterprises, including direct lease services for newly acquired vehicles and after-sale and leaseback service for old vehicles/existing equipment. In 2022, the Company provided financing of RMB792 million to 21 public transportation enterprises in total.



CASE: Haitong Unitrust Provided Finance Lease for a Public Transportation Group

Hunan C Bus Group ("Company C") is an urban bus enterprise with nearly 1,000 buses. Under the guidance of the government, Company C has replaced the traditional fuel vehicles with hydrogen powered buses.

The Company provided finance lease services to Company C for the procurement of new energy buses to overcome its problem of insufficient funds for purchasing vehicles.



Finance Lease Project of Hunan C Bus Group

3. Forging Ahead and Serving the Real Economy



CASE: Haitong Unitrust Provided After-sales and Leaseback Service for New-energy Electric Buses to a Public Transportation Company

Henan D Bus Company ("Company D") is an urban bus enterprise with approximately 600 buses. The Company entered into financial leasing business cooperation with Company D and completed after-sales and leaseback for 52 new-energy electric buses. The financing amount provided for Company D was nearly RMB30 million.



After-Sales and Leaseback Project for New-Energy Electric Buses of Company D

• SUPPORTING THE DEVELOPMENT OF EDUCATION SERVICES

In 2022, the Company formulated innovative admission standards such as the *Guidelines for Traffic-based Kindergarten Business* (幼教流量化業務指引), *Guidelines for K12^(Note) Business* (K12業務指引) and *Credit Approval Guidelines for Private Colleges and Universities* (民辦高等院校行業信審指引) to support the development of education services. The *Credit Approval Guidelines for Private Colleges and Universities* (民辦高等院校行業信審指引) has set out detailed regulations on customer entry standards, credit plans, conditions for approval of high-risk projects, and conditions for rejecting projects.

In 2022, the Company carried out 42 education projects with an amount of RMB907 million.

Note: K12 refers to kindergarten through twelfth grade, which is a fundamental education stage from pre-school education to high school education.

3. Forging Ahead and Serving the Real Economy



CASE: Haitong Unitrust Provided Financing Support for the Upgrade and Renovation of a School

E Education Group (“Company E”), established in 2000, is a K12 education group consisting of schools from kindergartens to high schools with a comprehensive education service system that integrates teaching management, teacher training, teaching and scientific research, information services, campus construction, back-office services and investment management. Company E has established 16 schools, including primary schools, secondary schools and high schools, and nearly 30 kindergartens in over 20 cities at home and abroad. It is a leading education service group in China in terms of the scale and strengths of teaching.

Haitong Unitrust provided financing support for the relevant school renovation projects of Company E in Baoan District of Shenzhen, Wuhan, and Chongqing in stages in September and December 2022, respectively.



The school of E Education Group in Chongqing

3.3 PROMOTING INCLUSIVE FINANCE

Micro- and small-sized enterprises play an important role in the national economy. Financial leasing offers financing in the form of capital and goods to assist in equipment procurement and support the development of micro- and small-sized enterprises directly. Haitong Unitrust actively serves the real economy, providing various financial support solutions to micro- and small-sized enterprises to support their sustainable development.

In 2022, based on the market environment and its own business characteristics, the Company revised the *Credit Approval Guidelines for Construction and Engineering Machinery Industry (2022 Edition)* (《建築工程機械行業信審指引(2022版)》), *Credit Approval Guidelines for Medical Industry (2022 Edition)* (《醫療行業信審指引(2022版)》), *Credit Approval Guidelines for Direct Leasing and Product Leaseback of Existing Customers in Manufacturing Industry (2022 Edition)* (《製造業直租及老客戶回租產品信審指引(2022版)》) and *Credit Approval Guidelines for Product Leaseback of Manufacturing Industry (2022 Edition)* (《製造業回租產品信審指引(2022版)》), and formulated various proposals of innovative products. As at the end of 2022, MSE Subsidiary has carried out services in 30 provinces, autonomous regions and municipalities across the country, covering more than 300 cities.

3. Forging Ahead and Serving the Real Economy

In respect of micro-and small-sized construction projects, MSE Subsidiary had 531 investment projects with an amount of over RMB1.1 billion in 2022.



CASE: Haitong Unitrust Provided Financial Leasing Service to a Leading Tunnel Equipment Enterprise

Sichuan F Company Limited ("Company F") is a high and new tech enterprise engaging in the research and development, production and sales of complete sets of underground engineering equipment with leading position in the tunnel equipment industry. Its downstream customers mainly purchase the equipment for the construction of Sichuan-Tibet railway.

As at the end of 2022, the Company provided financial services to Company F through various rounds of finance leases in order to help it increase the production capacity to meet the needs of downstream customers to purchase equipment. As at the end of 2022, the Company has offered 9 rounds of financing with a total amount of approximately RMB17 million.

Through providing services to Company F, Haitong Unitrust supported the development of Sichuan-Tibet railway indirectly, contributing to the regional strategy of the government financially.

In 2022, the Company reviewed and adopted the *Credit Approval Guidelines for Small-sized Private General Hospitals* (民營小綜合醫院的信審指引) to focus on the development and financing of small-sized private general hospitals. In respect of micro- and small-sized medical business, MSE Subsidiary had 324 investment projects with an amount of RMB900 million across the country.



CASE: Haitong Unitrust Assisted a Small-sized Private General Hospital in Equipment Upgrade

Shaoguan G Hospital ("Hospital G"), established in 2015, is a modern Class II general hospital offering comprehensive services including medical treatment, first aid, prevention, health care and other functions. Specializing in medical care, elderly care and big health, Hospital G has a floor area of over 10,000 square meters, 200 beds, 45 hemodialysis machines, and nearly 200 full-time employees. Currently, it has needs to update and upgrade the medical equipment and establish various special departments.

Upon comprehensive evaluation and on-site investigation of Hospital G, the Company provided financing to Hospital G based on the standards for products to small- and medium-sized private enterprises to help the hospital purchase medical equipment including high-row CT machines.

In addition, the Company is committed to enhancing the accessibility of financial services for micro-, small- and medium-sized enterprises in remote areas in order to relieve their financing difficulties and reduce their financing costs.

3. Forging Ahead and Serving the Real Economy



CASE: Haitong Unitrust Provided Financial Leasing Services to an Enterprise in Remote Area

Hoten City H Company Limited (“Company H”), established in April 2018 and located in Topcha Village, Yiliqi Township, Hotan City, Hotan Prefecture, Xinjiang, is a company engaging in the processing and sales of steel structure. The steel structure products are used in prefabricated steel buildings, steel structure factories, prefabricated houses, and steel hothouses, and its customers mainly include major state-owned enterprises such as China Railway Group Limited and Hebei Construction Group Corporation Limited. Due to insufficient production capacity of its existing equipment, Company H planned to acquire a 12,000W laser-cutting machine of “Hongshan” brand.

In response to the demand of Company H, the Company completed the approval and payment procedures efficiently by making use of remote due diligence through video conferencing, electronic signing and other fin-tech measures.

In 2022, MSE Subsidiary won the “Inclusive Finance Excellent Service Award” (普惠金融卓越服務獎) at the fourth session of the Shanghai Inclusive Finance Forum (上海普惠金融論壇) in 2022.



3.4 SUPPORTING THE ADVANCED MANUFACTURING INDUSTRY

Taking advantage of the strengths as a financial leasing enterprise in providing financing in the form of capital and goods, Haitong Unitrust allocates its assets based on the development direction under the 14th Five-Year Plan and “Made in China 2025” and actively develops a customer ecosystem covering the sectors of new energy, new materials, high-end equipment manufacturing and digital economy.

In 2022, the Company formulated and issued the *2022 Special Product Policies for Niche Market in Manufacturing Sector* (《2022年製造業「專精特新」專項產品》), and implemented differentiated approval policies in favor of quality national niche “small giant” enterprises and manufacturing enterprises with outstanding performance in a specific field. In 2022, the Company has entered into 15 transactions with niche “small giant” enterprises, with an amount exceeding RMB414 million.

3. Forging Ahead and Serving the Real Economy



CASE: **Haitong Unitrust Supported the Development of a Niche “Small Giant” Enterprise**

Suzhou I Corporation Limited (“Company I”), established in 2008, is a national key high and new tech enterprise of the Torch Program and primarily engages in the business segments of photovoltaic backplane, photovoltaic cells and modules, application and development of distributed systems and innovation and development of new energy industry. In 2016, Company I established Taizhou J Company Limited (“Company J”) for the construction of N-type monocrystalline and bifacial battery base.

Company J is a national niche “small giant” enterprise. In October 2022, the Company provided a financial leasing services of approximately RMB80 million to Company J for the research and development, production and sale of photovoltaic module and investment in the cell project.



CASE: **Haitong Unitrust Helped Semiconductor Testing Customer Accelerating Business Development**

K Semiconductor Technology (Jiangsu) Company Limited (“Company K”), established in 2018, primarily engages in the testing of various semiconductor chips and wafers. Due to rapid growth driven by the favorable national industrial policies, K Company requires continuous capital contribution to purchase additional equipment and improve its production capacity.

The Company provided financing of approximately RMB15 million to Company K in the form of sale and leaseback arrangement for the construction of new plants and acquisition of new equipment. This had helped Company K embark on a new development journey while contributing to the development of semiconductor industry of China.



CASE: **Haitong Unitrust Successfully Issued the First Technological Innovation Corporate Bonds in the Leasing Industry**

In April 2022, Haitong Unitrust completed the public issuance of technological innovation corporate bonds (first tranche) to professional investors. The funds raised were used for development of the niche sectors. The issue size of the bonds was RMB500 million, and the term was three years. The subscription ratio was 2.5 times, and the final coupon rate was 3.57%.

These bonds were the first technological innovation corporate bonds in the financial leasing industry, and the funds raised were primarily used to meet the capital needs of “niche” enterprises and manufacturing enterprises with outstanding performance in a specific field and their downstream customers for the acquisition of equipment, upgrade and replacement of equipment as well as production expansion.

Haitong Unitrust offered innovative solutions to help enterprises engaging in specialized businesses with refined operation and distinctive features develop into the backbone of the manufacturing industry of China.

3. Forging Ahead and Serving the Real Economy

To support the development of digital economy, the Company provides services for electronic information manufacturing, data centers, cloud computing and “Eastern Data and Western Computing”. In 2022, the Company provided financing for 153 projects in respect of digital economy with an amount of RMB2.487 billion in total.



CASE: Haitong Unitrust Provided Assistance in the Construction of Green Data Center

Guangdong L Data Technology Company Limited (“Company L”), established in April 2018, is currently focusing on the planning and construction of high-end data centers in first-tier cities including Guangzhou, Shenzhen, Shanghai and Beijing, and provides one-stop services for customers in the customization of large-scale data centers, network connection and security and hybrid cloud operation and management. It has established business partnerships with major operators including China Telecom, China Mobile and China Unicom, and maintained sound cooperative relations with renowned enterprises such as Alibaba, Tencent, Baidu and Huawei.

In March 2021, Company L planned to invest in the construction of a cloud computing data center in Beijing, which is a customized computer room of a major telecommunication operator.

The Company provided financial leasing services for Company L to finance the procurement of core equipment and systems. Being a green data center in the core district of Beijing, the project not only fulfills the need of downstream customers for the construction of a data center in Beijing District, but also meets the expectations of the government in constructing a green data center under the 14th Five-year Plan in respect of digital economy in China.



CASE: Haitong Unitrust Supported the Development of Big Data Industry

Henan M Technology Company Limited (“Company M”) is the main investor and operator of the “cloud service” data center project in a Innovation Center in Zhengzhou. In 2022, Company M entered into cooperation with Henan Zhongguang (河南中廣), intending to establish a server room of the data center in Zhengzhou, Henan Province and deploy relevant IT software and hardware in order to develop a “private cloud+” cloud service platform for users from the governments and enterprises, the internet as well as the education, healthcare and financial sectors.

The project is planned to be delivered in two phases. The Company provided assistance to Company M in the delivery of the “cloud service” data center of Henan Zhongguang (河南中廣) through financing the equipment procurement of the first phase in the form of direct lease. This project also contributed to the development of big data industry in China.



4. Pursuing Excellence and Improving Service Quality

4.1 IMPROVING SERVICE QUALITY

Haitong Unitrust is committed to providing customers with diversified and integrated services with high quality. By improving the post-leasing and complaint follow-up mechanisms, the Company has maintained effective communication with customers to solve their problems. The Company has also established systems such as the *Measures on Customer Management* (《客戶管理辦法》) and *Measures on Business Operation and Management* (《業務運營管理辦法》) to further optimize the process and enhance the standards of customer services.

In 2022, the Company's new call center was officially put into service, providing comprehensive services for phone inquiry and outbound calls. The center integrates the existing customer service centers and call centers for debt collection and handles daily inquiries, complaints, feedback, and business transactions from customers, further improving the quality of customer service. In 2022, the call center received a total of 349,915 customer inquiries, and the customer satisfaction rate was 99.6%.

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

In 2022, the Company received a total of over 200 customer complaints referred by regulatory agencies. None of the reasonable complaints was confirmed as liable to the Company by the regulatory department. Among these complaints, the closure rate of 100%, and the average resolution time for a closed case was 4 natural days. In 2022, the Company received a total of 5 in-person complaints from customers, all of which were properly resolved.

4. Pursuing Excellence and Improving Service Quality



CASE: New Call Center of Haitong Unitrust was Officially Put into Service

In October 2022, the new call center of Haitong Unitrust was officially put into service. The call center provides services that integrate the functions of hotline and information center. It has established a customer-centric service model which provides a full range of high-quality personalized and differentiated services to customers efficiently. The competitive advantage and brand image of the Company have been enhanced.



Opening ceremony of the call center

In terms of product advertising and business marketing, the Company has formulated the *Management Measures for Business Marketing and Promotion (Trial)* (《業務營銷宣傳管理辦法(試行)》) in strict compliance the *Advertising Law of the People's Republic of China* (《中華人民共和國廣告法》) and regulatory requirements to further improve the management mechanism of business marketing and promotion, clarify the principles, procedures, and requirements of marketing and promotion activities, and ensure that customers can understand true and complete information about the financial products and protect their legitimate rights and interests.

In 2022, the Company did not find any non-compliance incidents in relation to the information or identification of products and services or violation of marketing and advertising regulations.

4. Pursuing Excellence and Improving Service Quality

4.2 CUSTOMER PRIVACY AND INFORMATION SECURITY

- **INFORMATION SECURITY**

Information security is the cornerstone of the sustainable development in financial technology. In strict compliance with relevant laws and regulations and regulatory requirements such as the *Cybersecurity Law of the People's Republic of China* (《中華人民共和國網絡安全法》) and the *Regulations for Safety Protection of Computer Information Systems of PRC* (《中華人民共和國計算機信息系統安全保護條例》), and based on the actual situation, the Company has formulated the *Information Security Management Measures* (《信息安全管理辦法》), covering information security management in three aspects, namely the network security, software system security, and information asset security and physical environment security.

The Company has established the network and information security leadership group and the office of the network and information security leadership group to take charge of the information security work. The information technology department is responsible for the information security management as well as the development and secured operation of information security technologies. In 2022, the Company completed the construction of the threat awareness platform and SOC situational awareness platform, and developed a network security monitoring system covering the entire network.



CASE: Haitong Unitrust passed the grade 3 test for the protection of information systems security

In January 2013, the unified business platform and other business systems of the Company passed the grade 3 test for the protection of information systems security in accordance with the national improvement and evaluation measures for the graded protection of information system security. The graded protection of information system security consists of five graded tests, in which the grade 3 test refers to the evaluation of "supervision and protection" for major assets and key infrastructure facilities, which is the highest grade that can be achieved by the information systems of financial institutions in general. Passing the grade 3 test for the protection of information systems security indicates that the information system of the Company has fulfilled the national standard in terms of technical security and the Company has formed a comprehensive network information security system.

4. Pursuing Excellence and Improving Service Quality

In terms of information security training, the Company organized information security awareness training, sharing of cybersecurity practices of Haitong Unitrust (海通恆信護網專項實踐分享) and other trainings related to network security in form of online and offline sessions to enhance the professional level of security operators and improve the overall awareness of information security among all employees.



CASE: 2022 Internet Safety Drills of Haitong Unitrust

The Company assessed the existing internet assets to minimize the risk exposure and conducted security self-inspection work, including vulnerability scanning, security baseline, hack prevention test, malicious code detection and sensitive information leakage checks. The Company continuously monitored the progress of vulnerability remediation, strengthened the security equipment, and introduced a four-layer protection and ban mechanism. We also conducted emergency drills, themed activities under the information security month, and information security training. The 2022 internet safety drills were completed smoothly.

• SECURITY OF CUSTOMER PRIVACY

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

In 2022, the Company issued the *Measures for Customer Information Management* (《客戶信息管理辦法》) and *Measures for the Protection of Personal Customer Rights and Interests* (《個人客戶權益保護工作管理辦法》), clarifying the responsibilities of various departments in the management of customer information and safeguarding the security of customer information and customer rights. The Company has also developed a client privacy protection policy, client privacy policy clauses and the *Consent to the Collection and Processing of Personal Biometric Information* (《個人生物識別信息收集處理同意書》).

In 2022, the Company was not aware of any leakage of customer information or privacy.

4. Pursuing Excellence and Improving Service Quality

4.3 FINANCE EMPOWERED BY TECHNOLOGY

In order to improve operational efficiency by making use of fin-tech, Haitong Unitrust has issued the *Data Management Measures for the Application System* (《應用系統數據管理辦法》), which have further refined the data standards of statistical indicators and company-level reports, providing a basis for data quality inspection and data security management.

Haitong Unitrust's Technology-enabled Business Strategy

Platform development	Big data	IoT
<ul style="list-style-type: none">Focusing on the platforms for technologies and business, we have upgraded the electronic contract signing platform to increase the utilization rate of electronic contract signing, reduce the issuance of paper contracts and lower travel costs. We have also established an OCR platform to improve document recognition efficiency, optimize operation processes and reduce energy consumption. A risk control platform has also been set up to enhance approval efficiency and risk identification capabilities. We have had a PS recognition system in place to ramp up basic service capabilities. A log platform has been set up to improve overall system stability.	<ul style="list-style-type: none">We have built an integrated, intelligent, platform-based, and service-oriented data management platform, which can facilitate the flow of data within the Company and fully leverage data assets to empower business operations. We have also established a metadata management platform to centralize the collection and maintenance of metadata. By implementing customer data governance, We have achieved unified generation and management of codes for corporate customers, as well as risk integration for the same customer, corporation and other entities.	<ul style="list-style-type: none">Our IoT platform has connected to data collected from external sensors such as vehicle global positioning system (GPS), Tbox, ride-hailing service overview, data from logistics sorting system and industrial equipment status. The introduction of device tracking and vehicle GPS management system enable us to perform real-time online monitoring, risk alert and overview on data of lease assets.

In 2022, the Company developed new functions and optimized existing features to support online business operations, providing strong support for online business development. In terms of talent cultivation, as of the end of 2022, the Financial Technology Department had 81 full-time employees and 97 outsourced employees.

4. Pursuing Excellence and Improving Service Quality

Major Projects and Achievements of Haitong Unitrust's Technology-enabled Business Strategy in 2022

Major category	Major projects and achievements
Online customer acquisition	<p>We have developed the online customer acquisition mini-program, enabling us to obtain business opportunities and carry out product promotion round the clock. The mini-program is equipped with functions of product introduction, customer introduction, and pre-approval process, providing customers with efficient and convenient services to meet their financial leasing needs. As of the end of 2022, a total of 17 potential customers were acquired through the system, involving a total leasing amount of over RMB220 million.</p>
Pre-approval and credit approval modules	<p>The Company developed 17 credit review modules that encompass the information of leased assets, guarantors and collateral for review. An information system covering the entire approval process was established and the formats of equity structure, bank statements, and financial statements were standardized. Customer information can be automatically filled through external data, and credit reports can be accessed online. Due diligence and credit review reports can be generated by one-click.</p>
Video due diligence	<p>The system supports functions including customer identity verification, business item verification, viewable scripts, document review and approval and GPS positioning. The "E Vision Video Due Diligence Mini-Program" (E視通視頻盡調小程序) ("E Vision") is fully integrated with various core business systems, which can facilitate customer information registration, due diligence meeting appointments and automatic transmission of due diligence documents. Video files and meeting minutes can be retrieved and viewed through the online certification system, "ZhiXin Chain" (至信鏈).</p> <p>The E Vision platform empowered our business operations through technological initiatives, which have reduced the time and cost of business travel.</p>
Electronic contract signing	<p>In respect of the new post-lease services, the Company offered electronic contract signing for lease extension and signing of supplementary documents. We have optimized and refined the systems for contracting with the pledgers and pledgees, applying electronic signatures for contracts using PDF files, and online verification for public institutions and private non-enterprise organizations, which has expanded the scope of application and enhanced the convenience of electronic contract signing.</p>

4. Pursuing Excellence and Improving Service Quality

The Company has actively participated in industry exchange in the field of financial technology. In 2022, the Company attended the Tencent Global Digital Ecosystem Summit (騰訊全球數字生態大會). This summit is the largest annual event of Tencent with the highest standards and widest coverage for the industrial internet sector. It brought together global insights and wisdom to explore new opportunities for industrial development, and outlined the development blueprint for key technologies such as cloud, AI, big data and security.



CASE: Establishment of Computing Platform

Following the launch of the national strategy of “Eastern Data and Western Computing”, the development of computing network kicked off in 2022. In September 2022, the Company held the 2022 Computing Ecology Summit (2022算力生態高端峰會) with the theme of “Reshaping the Industrial Pattern to Promote the New Future of Intelligent Computing” (重塑產業新格局 · 助力智算新未來), and invited a number of renowned operators in the local computing industry such as Tencent Cloud, GloryData, DIXI YUNLIAN, UiT, Biren Technology and VSTECs for exchange and sharing.

Driven by the accelerated integration of AI and finance, various scenarios that can enhance financial value, such as intelligent marketing, intelligent recognition, intelligent decision-making, intelligent risk control and intelligent customer service, have emerged, changing the traditional way of human-to-human or human-machine interaction.

The Haitong Unitrust Computing Platform (海通恆信算力平台) was officially launched in December 2022. Currently, the platform is equipped with multiple application scenarios.

4. Pursuing Excellence and Improving Service Quality



ACHIEVEMENT: Haitong Unitrust Won the Bronze Award in the “China RPA+AI Developer Competition” (中國RPA+AI開發者大賽)

The second “China RPA+AI Developer Competition” hosted by RPA China under the guidance of Suzhou Financial Technology Association (蘇州市金融科技協會) was held with the theme of “Integration, Innovation and Creation”, focusing on the exploration and cultivation of RPA development talents and the commercialization of RPA. Haitong Unitrust formed a team of three and participated in the competition with their creation, “RPA Business and Finance Reconciliation Project”, winning the bronze medal in the “China RPA+AI Developer Competition”.

The “RPA Business and Finance Reconciliation Project” has enabled automatic processing in various business scenarios, such as filing of online banking receipts from 13 banks, automatic circulation of public opinion information of the Company, automatic transmission of data collected from China Securities Depository and Clearing Corporation Limited (“CSDCC”) to business system, automatic application for temporary credit identification codes, automatic generation of contracts of UniFortune Subsidiary, automatic generation of power of attorney templates for multiple regions, automatic access of SOFR fund data, and marketing for potential customers based on the data of CSDCC. This has effectively reduced the manpower and time in corporate management, business approval and information collection, and enhanced the efficiency of business expansion.



Bronze Award in the Second China RPA+AI Developer Competition

5. People Oriented and Developing A Vibrant Workplace

5.1 PROTECTING THE RIGHTS OF EMPLOYEES

- **RECRUITMENT AND EMPLOYMENT**

Haitong Unitrust strictly complies with laws and regulations such as the *Labour Law of the People's Republic of China* (《中華人民共和國勞動法》) and the *Labour Contract Law of the People's Republic of China* (《中華人民共和國勞動合同法》). In 2022, in alignment with the principles of the talent work conference of its parent company, Haitong Securities, the Company formulated and issued a series of administrative measures.

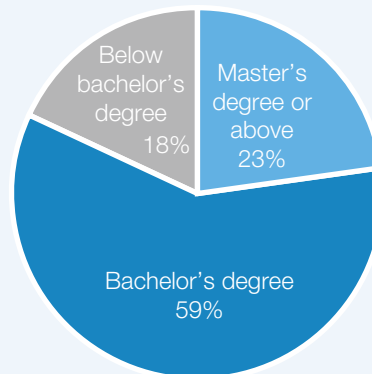
Through diverse channels such as recruitment websites, headhunting channels, WeChat official account and campus recruitment, the Company attracts talents with fair, just and open recruitment strategies, striving to build a talent team of diversity, and no discrimination of gender, age, nationality, race and religion is allowed. In addition, the Company strictly verify the identity of new employees to prevent the employment of minor workers. In 2022, the labour contract signing rate of the Company's employees was 100%. The Company also organized the verification, update and confirmation of personal information for all employees.

In 2022, the Company was not aware of any employment of minor workers and forced labour.

The Company further improved the welfare of its employees. Contributions to social insurance and housing fund were fully paid as scheduled. Our employees are also provided the welfare of corporate annuity and holidays. The Company strictly complies with the standard requirement of 40 working hours per week. Our employees can enjoy the benefits of statutory holidays, annual casual leave, medical leave and marital leave. In 2022, the Company continued to optimize the annual supplementary medical insurance for employees, and improved the setting of parental leave, maternity leave and other leave policies in accordance with local supplementary policies.

In 2022, the Company introduced 443 market-oriented and professional talents and 41 management personnel.

As of the end of 2022, the total number of employees of the Company was 1,926.



Education level composition of employees
as of the end of 2022



5. People Oriented and Developing A Vibrant Workplace

- **HEALTH AND SAFETY OF EMPLOYEES**

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

In 2022, the Company continued to improve its employee health check program by adding special body check items for female employees and upgrading the value-added services of the body check, in order to meet the individual health needs of its employees. In addition, the Company showed care for its employees physical and mental health by actively organizing health events such as shoulder and neck therapies, eye care and dental health.

During the pandemic in 2022, the Company paid close attention to the living conditions of its employees, and purchased nearly 1,600 packs of food and distributed them to on-duty employees and employees in Shanghai. The Company also implemented a work-from-home plan to ensure the normal operation of all business processes.

In 2022, the Company was not aware of any incident of health and safety of employees.

5.2 SUPPORTING THE DEVELOPMENT OF EMPLOYEES

- **IMPROVING THE TRAINING SYSTEM**

In compliance with the national standard of *Quality Management — Guidelines for Training* (《質量管理培訓指南》) (GB/T19025-2001 idtISO10015:1999) and based on the actual situation, the Company formulated the *Training Management Handbook* (《培訓管理手冊》). The Company adheres to the “One Haitong” philosophy and integrates the human resources system with the platform of Haitong Wealth Research Institute (海通財富研修院), sharing training resources and data. In 2022, the Company further optimized the training credit system.

5. People Oriented and Developing A Vibrant Workplace

Training System of Haitong Unitrust

Management training	New employees training	Business training	Professional competence training	Internal trainer training
<ul style="list-style-type: none"> The Company has launched various training programs such as “Sailing Plan (遠航項目)” for cadre training, “Set Sail Plan (啟航項目)” for supervisor training and business director training for key personnel to enhance the comprehensive qualities and management capabilities of cadres and supervisors, and to improve its talent pool and team-building. 	<ul style="list-style-type: none"> The Company has launched a new employee development program of “Building New Dreams (融新築夢)”, which provides specialized training for 90 days to help new employees integrate into the Company, identify with the Company’s culture and quickly adapt to their work. 	<ul style="list-style-type: none"> The Company has organized project management certification training, business sharing sessions, “Pai An Shuo (拍案說)”, business unit system training, “Industry Research and Sharing Summit (行業研享匯)” and other business training programs to promote the capacity building of its business personnel. 	<ul style="list-style-type: none"> The Company has continued to enhance employees’ professional ethics and professional quality by organizing various programs such as “Ideological and Moral Cultivation Cloud Lecture (思想道德雲講堂)”, “Workplace Enrichment (職場加油站)” and “Adapting Mind and Body for Efficient Work (調適身心高效辦公)”. 	<ul style="list-style-type: none"> The Company has organized the “Sunflower (向日葵)” program for internal trainer training, focusing on course development and experience extraction, creating and accumulating high-quality courses, improving the course system and expanding the team of internal trainers.

The Company implemented talent development projects such as “Sailing Plan (遠航項目)” for management training, “Set Sail Plan (啟航項目)” for supervisor training, and “Spark Plan (星火計劃)” and “Sailing Operation (揚帆行動)” for youth talent training, with an aim to strengthen the development of talent teams.

In 2022, the Company organized and implemented a total of 248 training sessions, with 30,273 person-times and a completion rate of 100%. The Company also engaged and promoted 59 internal trainers in 2022, bringing the total number of internal trainers to 111 by the end of 2022. The Company developed 197 new training courses in 2022, with a total of 890 courses in the course library by the end of 2022.

5. People Oriented and Developing A Vibrant Workplace



CASE: Talent Pool Empowerment Training Project Organized by Haitong Unitrust

In 2022, Haitong Unitrust organized a talent pool empowerment training project to strengthen the development of its talent teams, facilitate each unit to identify the status of its talent team, and improve talent management level in terms of “selection, cultivation, utilization and retention”.



Talent pool empowerment training



CASE: “Six Disciplines” Training Program for New Supervisors of Haitong Unitrust

Haitong Unitrust carried out a training program of “Six Disciplines (六道修煉)” for new supervisors. Based on the *Six Disciplines Handbook for Supervisors* (《主管的六項修煉手冊》), the program integrates the “learning, training and assessing” into the six management skills of the management teams through face-to-face training, practical exercises and tutoring.

Through the “Six Disciplines” training program, new supervisors are able to apply theoretical knowledge to real work scenarios, which facilitate their transition to frontline managers.



“Six Disciplines” training program for new supervisors

5. People Oriented and Developing A Vibrant Workplace



CASE: “Action Learning” Training Program for Management Trainees of Haitong Unitrust

The “Action Learning (行動學習)” training program for management trainees of Haitong Unitrust combined on-site teaching with online tutoring to provide targeted guidance on difficult issues that employees who joined the Company as management trainees and have been working for no less than three years may encounter in their work.

The program lasted for two months and included two on-site courses and two online tutorial sessions. Through guided tutoring, a productive and harmonious atmosphere for work and study had been established.



“Action Learning” training program for management trainees



ACHIEVEMENT: Haitong Unitrust Won the “Excellent Series Micro-course Award” in Booao Awards

In 2022, the training system construction project of a subsidiary of Haitong Unitrust won the “Excellent Series Micro-course Award (卓越系列微課獎)” from the Online-edu (在線教育資訊網).



“Excellent Series Micro-course Award”
in Booao Awards

5. People Oriented and Developing A Vibrant Workplace

- **PERFORMANCE ASSESSMENT AND PROMOTION**

Haitong Unitrust is committed to establishing a scientific and effective performance management system and rank promotion channels in order to improve the career development platform of its employees. The Company gradually optimizes its organizational structure, strengthens performance management, and assesses the work performance and competency of its employees in a fair, comprehensive and objective manner, so as to develop a performance culture that links the development of employees with the growth of the Company.

Performance Management System of Haitong Unitrust



The Company follows the principles of market, profession and system orientation, developed the *Measures for Management of MD Position System* (《MD職位體系管理辦法》) and establishes administrative level promotion and professional level promotion channels. The Company provides its employees with a transparent, standard and customized promotion path, and divides the position system into five professional orders as business sales, credit review risk control, business leaseback, product research and development and functional management horizontally, and sets up nine ranks (sixteen levels) as Senior Managing Director, Managing Director, Executive Director and Director vertically, in order to adapt to different business characteristics and competition requirements.

In 2022, the Company completed 47 democratic evaluations of cadres, organized and implemented recruitments for 40 department heads at the second level and appointment of 75 supervisors of its subsidiaries, so as to further improve the standardized construction of personnel management. In addition, based on the *Implementation Rules of the Administration of Management Trainees of the "Star of Haitong Unitrust"* (《「恆信之星」管理培訓生管理實施細則》), the Company added a separate performance evaluation for management trainees in 2022. The evaluation is based on both performance and growth of the trainees and is subject to dual-line assessment by the related department and the human resources department, further improving the internal performance evaluation system.

5. People Oriented and Developing A Vibrant Workplace

5.3 DEEPENING EMPLOYEE CARE

- **VALUING EMPLOYEE CARE**

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

The Company leverages the role of the trade union as a bridge and link to enhance the cohesion of its employees. When an employee celebrate their birthday, hospitalized, get married or give birth, the Company sends sympathy letters and gifts through trade union officials and liaison officers to offer care and support. The Company also arranges greetings for festivals such as the Spring Festival, Dragon Boat Festival, Mid-Autumn Festival and National Day. In 2022, the Company conducted condolences for 1,075 occasions of birthdays, marriages, births, illnesses and bereavements.



CASE: Haitong Unitrust Convened an Employee Representative Meeting

In order to safeguard the legitimate rights and interests of its employees, supervise the standardized operation, and improve the corporate governance structure, Haitong Unitrust held the seventh meeting of the second session of the employee representative meeting in accordance with the relevant provisions of the *Company Law of the People's Republic of China* and the Articles of Association of the Company. At the meeting, the proposals of *Collective Contracts of Haitong Unitrust (Draft)* (《海通恒信集體合同(草案)》), the *Employee Code* (《員工守則》), and the “Advanced Employees’ Home” of Haitong Securities Co., Ltd. for 2021 were discussed and considered.

During the pandemic in 2022, the Company launched “Employee Refueling Station (員工加油站)”, “Fighting the Pandemic Together (同心戰「疫」)” and other programs on the information platform of “Haitong Unitrust Building Dreams through e-Platform” to provide mental health counselling, information on anti-pandemic group purchases and home exercise tips to its employees. The Company also organized an “Online Sports Event (線上運動會)” to help alleviate the psychological pressure on its employees due to the pandemic.

5. People Oriented and Developing A Vibrant Workplace



CASE: “Childhood with You” Online Family Day Organized by Haitong Unitrust

In June 2022, Haitong Unitrust organized a five-day “Childhood with You (與你「童」在)” online family day event, which featured four activities, namely a childhood photo studio, a childhood sports center, a childhood amusement park and a childhood message board. Employees and their children participated in various activities, such as imitating famous paintings, dancing, playing games and quizzes. The Company's branches also organized fun-filled family day activities, sending sincere blessings to children.

The event enhanced employees' sense of belonging to the Company and built a bridge between the Company and their families.



“Childhood with You” online family day of Haitong Unitrust

In 2022, the Company provided care for its employees by assisting 62 employees with application of residency permit points, various types of household registration and public housing applications. In terms of helping employees in need, the Company took measures to understand the family situation of employees and assist employees in overcoming the difficulties.

- **CREATING AN ENERGETIC WORKPLACE TOGETHER**

Haitong Unitrust actively organizes cultural and sports activities to enrich the leisure life of its employees and advocates work-life balance. In 2022, the Company organized family day activities, a series of activities to care for female employees on Women's Day and outward bound activities. The Shanghai headquarters regularly organizes cultural and sports activities such as football, basketball, table tennis, billiards, yoga, flower arrangement, handicrafts and fitness. More than 200 cultural and sports activities were organized with over 3,000 person-times.

5. People Oriented and Developing A Vibrant Workplace



CASE: An Outdoor Activity, “Welcoming the 20th National Congress, Flowers and Youth — Haitong Unitrust Camping Season” Organized by Haitong Unitrust

In September 2022, Haitong Unitrust organized an outdoor activity, “Welcoming the 20th National Congress, Flowers and Youth — Haitong Unitrust Camping Season (喜迎二十大花兒與少年恆信露營季)”. Though such outdoor activity, the employees were able to experience kayaking, enjoy camping and the fun of the wild and relieve work pressure in a passionate, responsible and joyful corporate atmosphere.



An outdoor activity, “Welcoming the 20th National Congress, Flowers and Youth — Haitong Unitrust Camping Season (喜迎二十大花兒與少年恆信露營季)”



CASE: “Ba Duan Jin” Courses Launched out by Haitong Unitrust

To enhance employees’ awareness of health care, promote physical fitness, carry forward traditional Chinese martial arts culture, and advocate a civilized and healthy lifestyle, the Company has launched “Ba Duan Jin (八段錦)” courses during lunch break to increase employees’ attention to health and wellness, increase physical activity to promote physical and mental health, and enrich employees’ spiritual and cultural lives.

5. People Oriented and Developing A Vibrant Workplace

5.4 CONTRIBUTING TO SOCIETY

The 20th National Congress of the Communist Party of China pointed out that quality development is the primary task of building a modern socialist country comprehensively. The rural revitalization strategy is the ballast stone of quality development. In recent years, Haitong Unitrust has continuously brought financial resources into the rural areas, developing an environmental protection industry ecosystem, and extending its reach to help the diversified development of rural revitalization. Based on the characteristics of diversified demands of rural revitalization, the Company has explored new ideas and new directions to promote rural revitalization.

In 2022, the Company assisted the rural revitalization by donating RMB50,000 to the solar street lamp installation project in Jinghang Village, Nayun Town, Menglian County, a supported region of Huangpu District.



CASE: Supporting of Haitong Unitrust on Strategic and Quality Development of Rural Revitalization

Liubao Town, Cangwu County, Wuzhou City, Guangxi Province is renowned for its Liubao tea and holds the titles of “Guangxi Special Ecological Town” and “National-level Featured Town”. In 2022, the local government of Liubao Town set a strategic goal of developing a RMB10 billion tea industry and promoting the construction of Liubao Tea characteristic town to further extend the Liubao tea industry chain and promote rural revitalization.

Haitong Unitrust communicated and exchanged ideas with the construction party of Liubao Tea characteristic town, a subsidiary of China Metallurgical Group Corporation, in respect of the cooperation mode, funding sources and project progress of the rural construction project. A personalized financing plan has been finalized to solve the funding gap, effectively ensuring the smooth progress of the construction.



CASE: Consumer Assistance and Support of Haitong Unitrust for Targeted Poverty Alleviation and Rural Revitalization in Supportive Areas

According to the requirements of the *Notice on the Implementation of a Two-Year Plan for Consumer Assistance and Support for Targeted Poverty Alleviation and Rural Revitalization in Supportive Areas* (《關於上海工會實施消費幫扶支持對口支援地區鄉村振興兩年行動計劃的通知》) of the Shanghai Federation of Trade Unions, Haitong Unitrust purchased 1,913 poverty alleviation gifts in conjunction with the “I Do Practical Things for the Masses (我為群眾辦實事)” activity to help consolidate and expand the achievements of poverty alleviation and promote rural revitalization.

5. People Oriented and Developing A Vibrant Workplace



CASE: Haitong Unitrust Supported the Construction of Green Delivery Network in Rural Areas

A vehicle service company ("Company N") has established business cooperation with China Post in Nanning to provide delivery vehicles to rural areas and villages serviced by Nanning Post Office.

The Company provided financial leasing services to Company N for the acquisition of 180 delivery vehicles with an amount over RMB20 million. This project actively supported the transportation in rural areas, as well as the employment and entrepreneurship of rural drivers, contributing to the development of green delivery network in rural areas.



Delivery vehicles

In respect of public donations, the Company responded to the Initiative to Mobilize the Financial Sector to Combat the Epidemic and Shoulder Social Responsibility in Difficult Times (「凝聚金融合力同抗疫·共擔社會責任克時艱」的《倡議書》) and donated RMB300,000. During the epidemic in 2022, the Company donated over RMB140,000 in cash and goods to local streets and police stations. The Company participated in the "First Greeting (第一聲問候)" public welfare activity in Huangpu District, allocated a special donation of RMB30,000, and encouraged its employees to make online donations to help disadvantaged children and youth. In 2022, the Company made charitable donations and other donations of RMB1,038,000 in total.

5. People Oriented and Developing A Vibrant Workplace



CASE: Haitong Unitrust Donated Anti-epidemic Materials to Support the Epidemic Prevention and Control in Xiaodongmen Sub-district

Haitong Unitrust actively fulfilled its social responsibility as a state-owned enterprise, raised and donated anti-epidemic materials through various channels, and contributed to the “Love in Haitong (愛在海通)” Party-building public welfare brand.

In 2022, the Company donated 320 sterile protective suits, 400 face masks, 5,000 pairs of disposable gloves and 5,000 N95 masks to Xiaodongmen Sub-district in Huangpu District where its headquarter is located, supporting frontline epidemic prevention work at the grassroots level.



Donation of anti-epidemic materials by Haitong Unitrust to Xiaodongmen Sub-district

Regarding volunteer services, the Company, under the guidance of its Party-building brand, “Unitrust’s Commitment to the Party and Future Growth”, remained confident and united, and collaborated to provide volunteer services. In 2022, the Company’s employees participated in anti-epidemic volunteer services in Shanghai for 1,023 times, with a total of more than 2,000 hours of volunteer services.



CASE: UniFortune Subsidiary Participated in Anti-epidemic Volunteer Services

During the epidemic in Shanghai in 2022, UniFortune Subsidiary actively participated in community volunteer service. The Party members in Shanghai reported to the community party organizations at a rate of 100%, demonstrating exemplary leadership and converting the responsibilities and missions given by the Party into actionable force.

Employees of UniFortune Subsidiary participated in more than 230 community volunteer services, with a total of 800 service hours volunteer services and a total donation of RMB10,028.

6. Leading Green Development with Dedicated Efforts

6.1 CLIMATE CHANGE MANAGEMENT

• CLIMATE CHANGE MANAGEMENT SYSTEM

As the threat of global climate change looms, there is an increasing demand from participants in the financial market for access to information on the impacts caused by climate change. Haitong Unitrust has proactively responded to the concerns about climate change of the government, investors and other stakeholders. The Company assesses its operation risks and opportunities arising from climate change based on the framework proposed by the Task Force on Climate-related Financial Disclosures (“TCFD”) of the Financial Stability Board (“FSB”). Countermeasures have been taken based on the assessment results, so as to minimize the impact of climate change on the Company effectively.

Climate Change Management System of Haitong Unitrust

Level	Actions
Governance	<ul style="list-style-type: none">• The Board is responsible for supervising matters related to ESG, including “climate change mitigation and adaptation”• The ESG Committee of the Board is responsible for identifying and assessing ESG related risks and opportunities, including climate risk• Relevant departments incorporate climate change factors into their business due diligence and risk assessment systems
Strategy	<ul style="list-style-type: none">• Identify climate change risks and conduct comprehensive assessment on the potential impact of risks and opportunities arising from climate change on our financial position• Identify climate change opportunities, mitigate risks and seize opportunities through low-carbon operation and boosting the development of new energy industries and other green industries• Adopt energy saving and carbon reduction measures in our operations to improve energy efficiency
Risk management	<ul style="list-style-type: none">• Identify our business risks and opportunities arising from climate change based on the framework proposed by the TCFD• Include risk management on climate change into our existing risk management system• Formulate the <i>ESG Risk Management Measures (Trial)</i> (《ESG風險管理辦法(試行)》), carry out ESG due diligence on customers and manage their ESG risks
Metrics and targets	<ul style="list-style-type: none">• Set climate-related target: greenhouse gas emission per unit area in 2025 will be controlled at a performance level not higher than the benchmark in 2021, i.e. not higher than 0.07 ton of CO₂ equivalent/m²• Set medium-term to long-term targets for water and electricity conservation, and regularly discloses progress

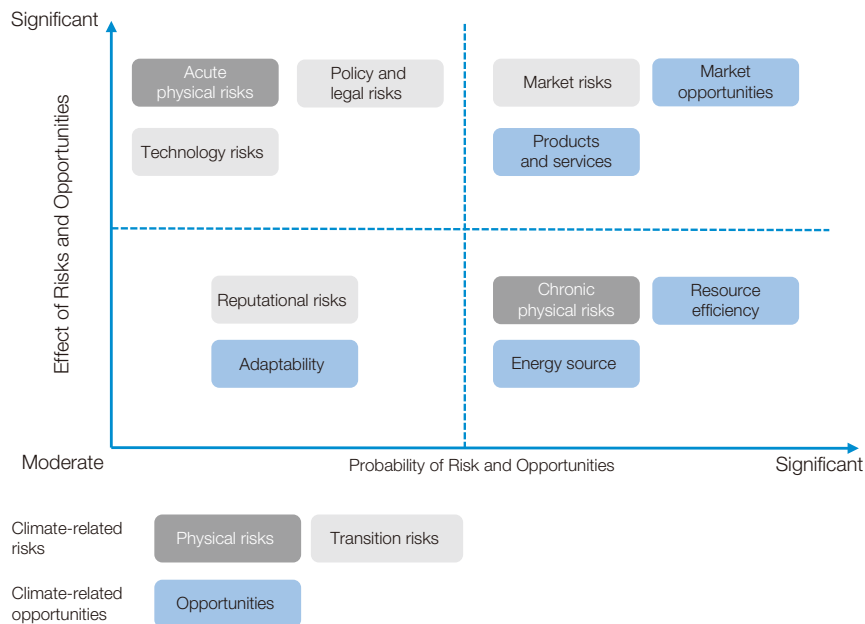
6. Leading Green Development with Dedicated Efforts

• MANAGING CLIMATE-RELATED RISKS AND OPPORTUNITIES

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

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

Matrix of Climate-related Risks and Opportunities of Haitong Unitrust



6. Leading Green Development with Dedicated Efforts

Climate-related Risks and Opportunities of Haitong Unitrust

Climate-related risks/ opportunities	Description of risks/ opportunities	Potential effects on financial position	Response measures
Climate- related risks	Policy and legal risks	Decrease in operating income Increase in operating cost Devaluation of fixed assets	<ul style="list-style-type: none"> All relevant departments and business units have strived to cope with climate change as part of their main duties Climate-related indicators have been included in the ESG due diligence system and climate-related risks have been taken into account as a part of consideration for business development
	Market risks	Decrease in operating income Devaluation of fixed assets	<ul style="list-style-type: none"> The Company has further identified its business risks and opportunities arising from climate change based on the framework proposed by the TCFD The Company has included substantive discussion about, and response to, climate change mitigation and adaptation issues in the ESG Report

6. Leading Green Development with Dedicated Efforts

Climate-related risks/ opportunities	Description of risks/ opportunities	Potential effects on financial position	Response measures
Technology risks	Our customers who engage in traditional manufacturing and transportation & logistics industries may face transition risks arising from the development and application of low-carbon and energy saving technologies. The Company, therefore, may face higher credit risk caused by declines in solvency of customers resulting from increases in costs of customers. The Company may also face risks arising from devaluation of its fixed assets caused by the upgrade of low-energy consuming equipment.	Decrease in operating income Devaluation of fixed assets	<ul style="list-style-type: none"> Industries with high climate-related risks, including papermaking and paper products, have been classified as "Withdrawal" category and the thermal power generation industry has been classified as "Prudent Intervention" category
Reputational risks	As low-carbon economy and climate-related topics have become major concerns of the public, the reputation of the Company may be damaged if it fails to make reasonable response to climate change. In addition, the reputation damage of customers may result in the decline in their solvency, which in turn exposes us to higher credit risks.	Decrease in operating income Increase in operating cost	
Acute physical risks	The Company or its customers may suffer from the risk of property damage or interruption of operation due to extreme weather disasters such as typhoons, floods and storms.	Decrease in operating income Increase in operating cost Devaluation of fixed assets	
Chronic physical risks	The daily production or operation of the Company or its customers may be affected by chronic weather disasters such as rising temperature and sea levels.	Decrease in operating income Increase in operating cost Devaluation of fixed assets	

6. Leading Green Development with Dedicated Efforts

Climate-related risks/ opportunities	Description of risks/ opportunities	Potential effects on financial position	Response measures
Climate- related opportunities	Products and services	Increase in operating income	<ul style="list-style-type: none"> The Company has put great efforts in providing financial supports for industries which engage in energy conservation and environmental protection, photovoltaic storage and clean energy business
	Market opportunities	Increase in operating income	<ul style="list-style-type: none"> The Company has reclassified the prospect for the renewable resources, such as biodegradable plastics, and bio-based materials manufacturing industry from “Prudent Intervention” to “Moderate Support”, and Wind Power industry, Solar Power industry and Cogeneration industry from “Moderate Support” to “Preferential Support”
	Resource efficiency	Decrease in operating cost	<ul style="list-style-type: none"> Haitong Unitrust Tower has been designed to promote energy conservation and emission reduction with the purchase of energy-saving equipment and the use new energy
	Energy source	Decrease in operating cost	<ul style="list-style-type: none"> The Company has increased its allocation to green leasing assets, including new energy vehicles
	Adaptability	Increase in operating income Decrease in operating cost	<ul style="list-style-type: none"> The Company has increased its allocation to green leasing assets, including new energy vehicles

6. Leading Green Development with Dedicated Efforts

6.2 CONTRIBUTING TO THE GOALS OF EMISSION PEAK AND CARBON NEUTRALITY THROUGH FINANCIAL INITIATIVES

As a pioneer in financial services of green and shared travel, Haitong Unitrust complies with the requirements of national policies and actively responds to the national “emission peak and carbon neutrality” strategy. Adhering to its fundamental mission of integrating business and finance, the Company strives to develop green finance, capitalize on the advantages of “financing with capital + goods” feature, and increase the expansion and investment in green leasing business fields such as shared travel, new energy vehicles, photovoltaic, sewage treatment, hazardous waste treatment and sanitation integration.

The Company continues to closely follow market demands and serve the real economy, a diversified and integrated ecosystem in the fields of shared travel and green travel has been built to deepen the green development and contribute to the national goal of “emission peak and carbon neutrality”.

In the context of “emission peak and carbon neutrality”, online car-hailing enterprises are facing the need of replacement of petrol with electricity. In response to government policy and in an effort to serve the real economy, Haitong Unitrust actively provides financial lease services to a number of online car-hailing enterprises, helping customers purchase new vehicles, replace and upgrade their vehicles and transform to the green travel.



CASE: Haitong Unitrust and Dongfeng Motor Group Company Limited (東風乘用車公司) Entered Into the Cooperation Agreement on Customization of “Dongfeng Fengshen E70 – Haitong Unitrust Co-branded New Energy Vehicle”

As a pioneer in green and shared travel financial services, Haitong Unitrust adheres to its role as a financial service provider of the real economy and seizes the huge opportunities arising from the transformation of “emission peak and carbon neutrality”. The Company also pursues its operating strategies and empowers small- and medium-sized transportation service enterprises and car sharing service enterprises by making use of Dongfeng Fengshen E70 new energy vehicles. Against the backdrop of shortage of vehicle chips and difficulties in supplying vehicles due to the epidemic, more than 3,000 vehicles has been supplied within half year since the launch of business in the second half of 2022.

Developing photovoltaic power and promoting new energy vehicles have been regarded as major measures for promoting the utilization of clean energy. As part of the initiatives of the Company in support of the development of the new energy industry, UniFortune Subsidiary has participated in the construction of national new energy infrastructure to promote green travel.

In 2022, UniFortune Subsidiary provided financial support of more than RMB300 million for distributed photovoltaic projects with a total capacity of over 100 MW for commercial and industrial use. These projects supply approximately 110 million kWh of green electricity per year to 43 power-consuming enterprises, which can reduce carbon dioxide emissions by 110,000 tons per year, equivalent to 10 million trees planted. Additionally, UniFortune Subsidiary has installed nearly 400 direct current chargers for new energy vehicles, which can charge 7,000 new energy vehicles every day.

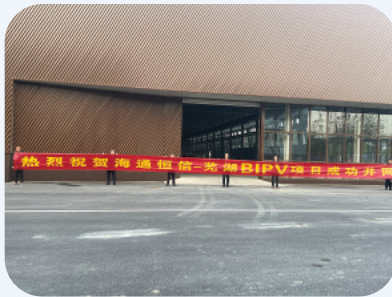
6. Leading Green Development with Dedicated Efforts



CASE: Haitong Unitrust — Wuhu 3.69 MW Project that Integrates Photovoltaic Technology into Buildings

Wuhu O Company Limited (“Company O”) intended to build a factory with an area of 25,000 m² for the expansion of production capacity. In response to the *Notice of Housing and Urban-Rural Development Bureau of Wuhu City on Accelerating the Promotion and Application of Photovoltaic Power Generation in the Construction Field* (《蕪湖市住建局關於加快建設領域光伏發電推廣應用的通知》), Company O decided to carry out a project that integrates photovoltaic technology into buildings.

The Company kept track of the whole process from the filing of the project. We provided financing of approximately RMB10 million for the project through direct leasing, and the capital was specifically paid to the component manufacturer to ensure that the equipment was delivered on time. The project would supply 3.3 million kWh of green electricity to Company O per year after completion.



Wuhu 3.69 MW Project that integrates photovoltaic technology into buildings

6. Leading Green Development with Dedicated Efforts



CASE: Haitong Unitrust — Jinzhai 14MW Distributed Photovoltaic Project

Several textile companies are located in an industrial park in Jinzhai County, with a huge energy consumption of approximately 100 million kWh per year. In order to promote energy conservation, emission reduction and energy transformation, a company in the industrial park has leased out the roof of its factory for the construction of distributed photovoltaic project.

The Company provided financial support of approximately RMB40 million for the project to help the project be completed and connected to the grid for power generation. The project can supply 14 million kWh of green electricity per year.



Jinzhai 14MW Distributed Photovoltaic Project

6.3 FACILITATING GREEN OPERATION

- **PROMOTING ENERGY CONSERVATION AND EMISSION REDUCTION**

The Company mainly consumes electricity and natural gases as well as gasoline for its vehicles in its daily operation, which are the main sources of its energy consumption and carbon emissions. The Company has implemented the concept of low carbon operation in strict compliance with the *Environmental Protection Law of the People's Republic of China* (《中華人民共和國環境保護法》) and other laws and regulations related to environmental protection. It has formulated the *Regulations on Safety Management of the Company's Headquarters Building* (《公司本部大樓安全管理規定》) and the *Notice on Strengthening Electricity Safety Management of the Company* (《關於加強公司用電安全管理的通知》). In 2022, the Company found no confirmed environmental violations with a significant impact on the Company.

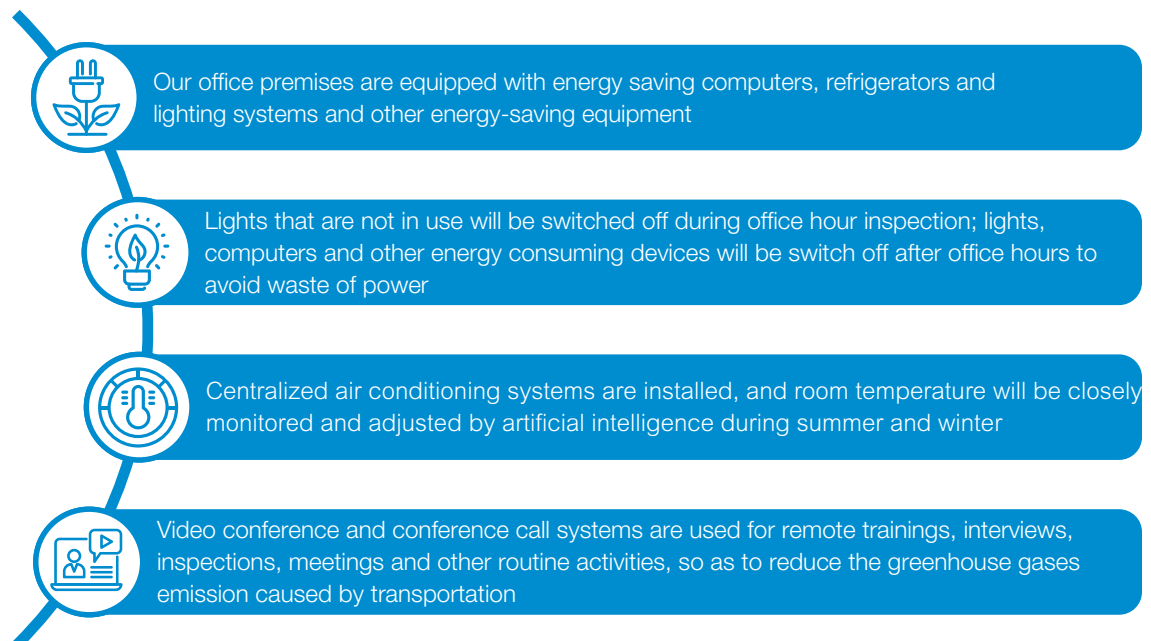
6. Leading Green Development with Dedicated Efforts

Based on its own operating situation, the Company set 2021 as the benchmark and determined ESG targets in respect of carbon emission and power consumption. The Company monitored the progress based on its ESG performance regularly, striving to achieve the targets by 2025. In 2022, the Company implemented energy conservation and emission reduction measures such as installing solar equipment, using energy-saving appliances, encouraging power saving and promoting low-carbon transportation to control the carbon emission and power consumption levels effectively.

Carbon Emission and Power Consumption Objectives and Progress of Haitong Unitrust

Objectives	Greenhouse gas emission per unit area	Power consumption per unit area
Objectives in 2025	<ul style="list-style-type: none">Greenhouse gas emission per unit area in 2025 will be controlled at a performance level not higher than the benchmark in 2021, i.e. not higher than 0.07 ton of CO₂ equivalent/m²	<ul style="list-style-type: none">Power consumption per unit area in 2025 will be controlled at a performance level not higher than the benchmark in 2021, i.e. not higher than 90.61 kWh/m²
Progress in 2022	<ul style="list-style-type: none">Greenhouse gas emission per unit area (scope 1 and scope 2) in 2022 was 0.04 ton of CO₂ equivalent/m², and the progress was satisfactory	<ul style="list-style-type: none">Power consumption per unit area in 2022 was 70.71 kWh/m², and the progress was satisfactory

Haitong Unitrust Energy Conservation and Emission Reduction Measures



6. Leading Green Development with Dedicated Efforts



CASE: Organizing Employees to Participate in Energy Conservation Management System Training by Haitong Unitrust

In January 2022, in order to implement the environmental protection concept of “preserving clear water and lush mountains as invaluable assets” of the Central Committee of the CPC and the State Council, and to strengthen employees’ environmental protection awareness, Haitong Unitrust organized the training program in respect of energy conservation management system, with a total of 39 person-times.



Energy Conservation Management System Training

- **WATER RESOURCES AND WASTE MANAGEMENT**

The Company uses municipal water as its main source of water resources in its daily operation. The Company has not encountered any obstacles in obtaining water sources. Main wastes generated by the Company include non-hazardous wastes (e.g. office waste and kitchen waste) and hazardous wastes (e.g. used batteries, ink cartridges and toner cartridges). The Company has implemented water saving measures, paperless office and reduction of the use of disposable office consumables to create an environment-friendly work atmosphere.

Based on its operating situation, the Company set 2021 as the benchmark and determined ESG targets in two aspects, including water resources management and waste management. The Company will regularly keep track on the progress based on ESG performance with an aim to achieve its goal by 2025.

6. Leading Green Development with Dedicated Efforts

Haitong Unitrust Water Resources and Waste Management Objectives and Progress in 2022

Objectives	Water consumption per unit area	Waste produced
Objectives in 2025	<ul style="list-style-type: none"> Water consumption per unit area in 2025 is expected to decrease by 11% compared to 2021 (0.61 ton/m²) 	<ul style="list-style-type: none"> The Company will gradually improve the identification and calculation of sources of non-hazardous waste and hazardous waste, and minimize non-hazardous waste and hazardous waste produced
Progress in 2022	<ul style="list-style-type: none"> Water consumption per unit area in 2022 was 0.43 ton/m², and the progress was satisfactory 	

Haitong Unitrust Green Office Measures in 2022

Key aspects	Specific measures
Water resources management	<ul style="list-style-type: none"> “Saving Water” labels are posted on water consumption area to encourage water conservation water-saving equipment is installed to avoid wastage caused by leakage
Waste treatment	<ul style="list-style-type: none"> different types of rubbish bins are placed on each floor to achieve sorting and collection of dry wastes, wet wastes, hazardous wastes and recyclable wastes kitchen waste is collected and processed by professional teams to avoid secondary pollution and gutter oil non-hazardous wastes such as cartons and waste paper, as well as used batteries and electrical appliances, are handed to qualified suppliers for recycling or professional disposal wastewater is discharged to municipal sewage plants by connecting the in-house pipes to the municipal pipeline
Paper and paper cups saving	<ul style="list-style-type: none"> promoting paperless office and reducing the number of duplicated printouts purchasing printing system software to realize roaming printing and avoid problems such as repeated printing and printing errors the default printing setting for each computer is black and white and double side printing encouraging employees to bring their own cups to reduce the use of disposable paper cups and other disposable consumables
Green renovation	<ul style="list-style-type: none"> environmental-friendly products are purchased, including furniture with water-based paint the use of green, energy-saving and environmental-friendly construction materials is prioritized green and environmental protection measures are implemented, such as resources conservation and air pollution control, during construction

6. Leading Green Development with Dedicated Efforts



Posting Water Saving Labels at Office



Sorting and Collection of Wastes



CASE: Implementing Paperless Office by UniFortune Subsidiary

UniFortune Subsidiary has implemented the concept of green office, and utilized fin-tech tools to improve office efficiency. In 2022, UniFortune Subsidiary generated 8,215 electronic credit reports, saving a total of approximately 82,150 sheets of paper. It also signed 40,973 electronic agreements, saving a total of approximately 434,741 sheets of paper.

Key Quantitative Performance Tables

• ANTI-CORRUPTION PERFORMANCE INDICATORS

Indicator	Unit	2020	2021	2022
Number of closed corruption lawsuits lodged against the Company and employees	Case	0	0	0
Times of anti-corruption training ^(Note 1)	Time	5	3	8
Person-time of employees receiving anti-corruption-related training ^(Note 2)	Person-time	510	500	858
Number of Directors receiving anti-corruption-related training	Person	2	2	2

Notes 1 and 2: In 2020 and 2021, the target group of the training was mid-level cadres and business backbone personnel. In 2022, the training was further provided to employees of UniFortune Subsidiary. As the scope of training changes, the number of anti-corruption training and the number of participants of anti-corruption training fluctuates. The number of training programs and number of employees involved in anti-corruption-related training or report at the managers' meetings held by the Company in the past three years are included in such data. As a result, the data in this table is different from the data disclosed in the *ESG Report of Haitong Unitrust for 2020*.

• SUPPLIER PERFORMANCE INDICATORS

Indicator	Unit	2020	2021	2022
Suppliers in Mainland China	Company	688	522	479
Suppliers overseas and in Hong Kong, Macau and Taiwan	Company	51	29	13

• CUSTOMER SERVICE PERFORMANCE INDICATORS

Indicator	Unit	2020	2021	2022
Number of customer inquiries ^(Note 1)	Case	113,257	427,144	349,915
Including: Number of reasonable complaints ^(Note 2)	Case	0	2	0
Percentage of complaint solving ^(Note 3)	%	100	100	100
Customer satisfaction	%	99.4	99.6	99.6
Number of verified complaints of customer privacy infringement and losses of customer information	Case	0	0	0

Note 1: [Data scope] The scope of data has been extended to include the customer inquiries and complaints of Haitong Unitrust and all of its branches and subsidiaries since 2020. The Company opened a new call centre in August 2020. Therefore, the number of customer inquiries and complaints in 2021 increased as compared to the previous year. The Company regulated the handling of customer complaints to ensure every complaint is solved properly.

Note 2: Since there have been many unreasonable complaints, only reasonable ones were included in the calculation for the purpose of the accuracy of statistical data. As a result, the Company disclosed the indicator of number of reasonable complaints, which were specifically defined as those for which the Company shall be deemed to be responsible by the regulators.

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

Key Quantitative Performance Tables

• EMPLOYEE EMPLOYMENT PERFORMANCE INDICATORS

Indicator		Unit	2020	2021	2022
Total employees (including dispatched labours)		Person	1,744	1,907	2,026
By gender	Male	Person	1,127	1,231	1,314
	Female	Person	617	676	712
By employment type	Number of full-time contract employee ^(Note 1)	Person	1,697	1,807	1,926
	Number of full-time dispatched employee	Person	47	100	100
By age group	>50 years old	Person	21	28	25
	30 to 50 years old	Person	1,231	1,396	1,559
	<30 years old	Person	492	483	442
By region	Mainland China	Person	1,735	1,898	2,020
	Overseas and Hong Kong, Macao and Taiwan	Person	9	9	6
Employee turnover rate ^(Note 2)		%	17.09	21.50	15.94
By gender	Male	%	18.63	24.21	18.87
	Female	%	14.26	16.57	10.53
By age group	>50 years old	%	14.29	3.57	12.00
	30 to 50 years old	%	14.78	20.42	17.13
	<30 years old	%	22.97	25.67	11.99
By region	Mainland China	%	17.03	21.39	15.89
	Overseas and Hong Kong, Macao and Taiwan	%	22.22	44.44	50.00
Employee leave	Actual number of female employees taking maternity leave	Person	30	38	28
	Proportion of female employees back to work after taking maternity leave ^(Note 3)	%	93	97	100

Key Quantitative Performance Tables

Note 1: The number of full-time contracted employees includes re-employment of retired employees.

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

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

• EMPLOYEE TRAINING PERFORMANCE INDICATORS

Indicator		Unit	2020	2021	2022
Person-time of employee training		Person-time	16,549	13,456	30,273 (Note 1)
Coverage of employee training (Note 2)		%	100	100	100
By gender	Male	%	64.62	64.55	64.87
	Female	%	35.38	35.45	35.13
By employee category	Senior management	%	0.51	0.47	0.45
	Middle management	%	3.73	3.83	3.50
	General employees	%	95.76	95.70	96.05
Training duration per employee per year (Note 3)		Hour	26	33	37
By gender	Male	Hour	27	33	37
	Female	Hour	24	33	35
By employee category	Senior management	Hour	48	58	77
	Middle management	Hour	31	44	40
	General employees	Hour	26	33	36

Note 1: During the pandemic period in Shanghai in 2022, over 50 online training programs, including business sharing sessions and the training themed by "Improving Work Efficiency by Balancing Physical and Mental Health (調試身心 高效辦公)", were organised by the Company with the active participation of employees of all levels, resulting in a significant increase in the number of participants of training in 2022 as compared to 2021.

Note 2: [Method of calculation] According to *How to Prepare an ESG Report — Appendix III: Reporting Guidance on Social KPIs* (March 2020) published by the Hong Kong Stock Exchange, the modified calculation method since 2020 is as follows: The training coverage of employees under each category = the number of employees in the specific category receiving training/the total number of employees in the specific category.

Note 3: [Method of calculation] Training duration per employee of each category per year = the total number of hours of training received by employees of the specific category/the number of employees of the specific category.

Key Quantitative Performance Tables

• OCCUPATIONAL HEALTH AND SAFETY PERFORMANCE INDICATORS

Indicator	Unit	2020	2021	2022
Coverage of physical examination for employees ^(Note 1)	%	100	100	100
Absence due to work-related injuries ^(Note 2)	Day	6	41	0
Ratio of employees' work-related deaths	%	0	0	0

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

Note 2: The Company had one incident of employees' work-related injuries in 2020 and two incidents of employees' work related injuries in 2021.

• CHARITY PERFORMANCE INDICATORS

Indicator	Unit	2020	2021	2022
Total charitable and other donations	RMB	3,042,700	0	1,038,000
Number of participants of volunteer service	Person-time	126	67	1,023 ^(Note 1)
Total volunteer service hours	Hour	229	228	2,000

Note 1: During the pandemic in 2022, employees of the Company actively participated in the community charity.

Key Quantitative Performance Tables

• ENVIRONMENTAL PERFORMANCE INDICATORS (NOTE 1, 2)

Indicator	Unit	2020	2021	2022
Total greenhouse gas emission (Scope 1 and scope 2) (Note 3)	Ton of CO ₂ equivalent	2,298	2,556	1,924
Greenhouse gas emission per person (Scope 1 and scope 2)	Ton of CO ₂ equivalent/person	1.35	1.34	0.95
Greenhouse gas emission per unit area (Scope 1 and scope 2)	Ton of CO ₂ equivalent/m ²	0.09	0.07	0.04
Total greenhouse gas emission (Scope 3) (Note 4)	Ton of CO ₂ equivalent	—	2,899	2,529
Total power consumption (Note 5)	kWh	2,527,769	3,398,890	3,046,661
Power consumption per person	kWh/person	1,489.55	1,782.32	1,503.04
Power consumption per unit area	kWh/m ²	98.48	90.61	70.71
Total water consumption (Note 6)	Ton	5,821	22,869	18,459
Water consumption per person	Ton/person	12.15	11.99	9.11
Water consumption per unit area	Ton/m ²	0.40	0.61	0.43
Total natural gas consumption	m ³	38,400	41,407	34,339
Natural gas consumption per person (Note 7)	m ³ /person	22.63	21.71	16.94
Natural gas consumption per unit area (Note 7)	m ³ /m ²	1.50	1.10	0.80
Gas consumed by the Company's own vehicles (Note 8)	Litre	62,663	46,786	42,048
Hazardous waste				
Waste batteries	Unit	450	503	560
Ink box (Note 9)	Gram	5,012	24,500	22,050
Toner cartridge	Pack	142	62	91
Non-hazardous waste (Note 10)				
Kitchen waste (Note 11)	Ton	108	120	64

Note 1: [Data scope] The data scope of total consumption and intensity of water and total waste in 2020 included Haitong Unitrust Tower. The data scope of other statistics included Haitong Unitrust Tower, UniFortune Subsidiary Headquarters and its 17 branches. The data scope of total waste in 2021 included Haitong Unitrust Tower and the data scope of other statistics included Haitong Unitrust Tower, UniFortune Subsidiary (including all its offices in China), MSE Subsidiary (including all its offices in China) and its 17 branches. The data scope of total waste in 2022 included Haitong Unitrust Tower and the data scope of other statistics included Haitong Unitrust Tower, UniFortune Subsidiary (including all its offices in China), MSE Subsidiary (including all its offices in China) and its 18 branches.

Note 2: Since 2020, the Company has relocated to Haitong Unitrust Tower and has newly operated its own canteen, the water, power and natural gas consumption data of which can be independently calculated.



Key Quantitative Performance Tables

- Note 3: [Method of calculation] The direct energy used by the Company includes natural gas and gasoline, while the indirect energy includes electricity. Scope 1 greenhouse gas emissions include direct greenhouse gas emission by natural gas consumption and petrol consumption of vehicles owned by the Company. Scope 2 greenhouse gas emissions include indirect greenhouse gas emission by outsourced power, which are calculated based on the *Notice on the Reporting and Management of Greenhouse Gas Emissions by Enterprises in the Power Generation Industry for 2023–2025* issued by the Ministry of Ecology and Environment.
- Note 4: [Method of calculation] Since 2021, the Company has included the data and disclosure of Scope 3 greenhouse gas emission. The scope of estimation includes the emission of aeroplane, taxis and other vehicles taken by employees of the Company in business trips. The amount of emission is estimated according to the calculation tool (Scope 3) of Greenhouse Gas Protocol. The Company will continue to refine the data scope of Scope 3 greenhouse gas emission.
- Notes 5 and 6: In 2021, the Company included the data of electricity and water consumption of all offices of UniFortune Subsidiary in China. The expansion of data scale resulted in an increase in total electricity and water consumption as compared to 2020.
- Note 7: The data scope of natural gas consumption per person and natural gas consumption per unit area changed from Haitong Unitrust Tower to that of the parent company and its branches, subsidiaries and offices, and the indicator data of 2020 and 2021 was updated accordingly.
- Notes 8: Due to the impact of COVID-19, a decrease in despatches of vehicles owned by the Company in 2021 resulted in a decrease in its petrol consumption.
- Notes 9: In 2021, due to the expansion of business scale of the Company, ink box consumption increased as frequency of printer usage increased.
- Note 10: The non-hazardous waste generated in the operation of the Company mainly refers to the daily office waste, kitchen waste and other waste. The amount of office waste has not yet been calculated.
- Note 11: The kitchen waste decreased as compared to that of 2021, which was attributable to the temporary closure of the canteen as employees worked from home due to the COVID-19 pandemic in Shanghai during March to May 2022.

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

Aspects, General Disclosures and KPIs	Description	Section
Part B: Mandatory Disclosure Requirements		
Mandatory Disclosure of Governance Structure		ESG Management Statement of the Board 1.2 ESG Management
Reporting Principles		About the Report
Reporting Boundary		About the Report
Part C: <i>Comply or Explain</i> Provisions		
A. Environmental		
Aspect A1: Emissions		
General Disclosure A1	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	6.3 Facilitating Green Operation
KPI A1.1	The types of emissions and respective emissions data.	Key Quantitative Performance Tables
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Key Quantitative Performance Tables

Aspects, General Disclosures and KPIs	Description	Section
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Key Quantitative Performance Tables
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Key Quantitative Performance Tables
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	6.3 Facilitating Green Operation
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	6.3 Facilitating Green Operation
Aspect A2: Use of Resources		
General Disclosure A2	Policies on the efficient use of resources, including energy, water and other raw materials.	6.3 Facilitating Green Operation
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Key Quantitative Performance Tables
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Key Quantitative Performance Tables
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	6.3 Facilitating Green Operation
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	6.3 Facilitating Green Operation
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable, as the Company provides financial products

Aspects, General Disclosures and KPIs	Description	Section
Aspect A3: The Environment and Natural Resources		
General Disclosure A3	Policies on minimising the issuer's significant impacts on the environment and natural resources.	6.3 Facilitating Green Operation
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	6.3 Facilitating Green Operation
Aspect A4: Climate Change		
General Disclosure A4	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	6.1 Climate Change Management
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	6.1 Climate Change Management
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure B1	Information on: <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	5.1 Protecting the Rights of Employees
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Key Quantitative Performance Tables
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Key Quantitative Performance Tables

Aspects, General Disclosures and KPIs	Description	Section
Aspect B2: Health and Safety		
General Disclosure B2	Information on: <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	5.1 Protecting the Rights of Employees
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	5.1 Protecting the Rights of Employees
KPI B2.2	Lost days due to work injury.	Key Quantitative Performance Tables
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	5.1 Protecting the Rights of Employees
Aspect B3: Development and Training		
General Disclosure B3	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	5.2 Supporting the Development of Employees
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Key Quantitative Performance Tables
KPI B3.2	The average training hours completed per employee by gender and employee category.	Key Quantitative Performance Tables

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Aspects, General Disclosures and KPIs	Description	Section
Aspect B4: Labour Standards		
General Disclosure B4	Information on: <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. 	5.1 Protecting the Rights of Employees
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	5.1 Protecting the Rights of Employees
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	5.1 Protecting the Rights of Employees
B. Social		
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure B5	Policies on managing environmental and social risks of the supply chain.	2.3 Risk and Compliance Management
KPI B5.1	Number of suppliers by geographical region.	Key Quantitative Performance Tables
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	2.3 Risk and Compliance Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	2.3 Risk and Compliance Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	2.3 Risk and Compliance Management

Aspects, General Disclosures and KPIs	Description	Section
Aspect B6: Product Responsibility		
General Disclosure B6	Information on:	4.1 Improving Service Quality
	(a) the policies; and	4.2 Customer Privacy and Information Security
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer	
	relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not subject to recalls, as the Company provides financial products
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	4.1 Improving Service Quality
		Key Quantitative Performance Tables
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	2.3 Risk and Compliance Management
KPI B6.4	Description of quality assurance process and recall procedures.	Not subject to recalls, as the Company provides financial products
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	4.2 Customer Privacy and Information Security

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Aspects, General Disclosures and KPIs		Description	Section
Aspect B7: Anti-corruption			
General Disclosure B7	Information on:		2.3 Risk and Compliance Management
	(a) the policies; and		2.4 Adhering to Business Ethics
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.		
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.		Key Quantitative Performance Tables
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.		2.3 Risk and Compliance Management 2.4 Adhering to Business Ethics
KPI B7.3	Description of anti-corruption training provided to directors and staff.		2.3 Risk and Compliance Management 2.4 Adhering to Business Ethics Key Quantitative Performance Tables
Aspect B8: Community Investment			
General Disclosure B8	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.		5.4 Contributing to Society
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).		5.4 Contributing to Society
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.		5.4 Contributing to Society



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