

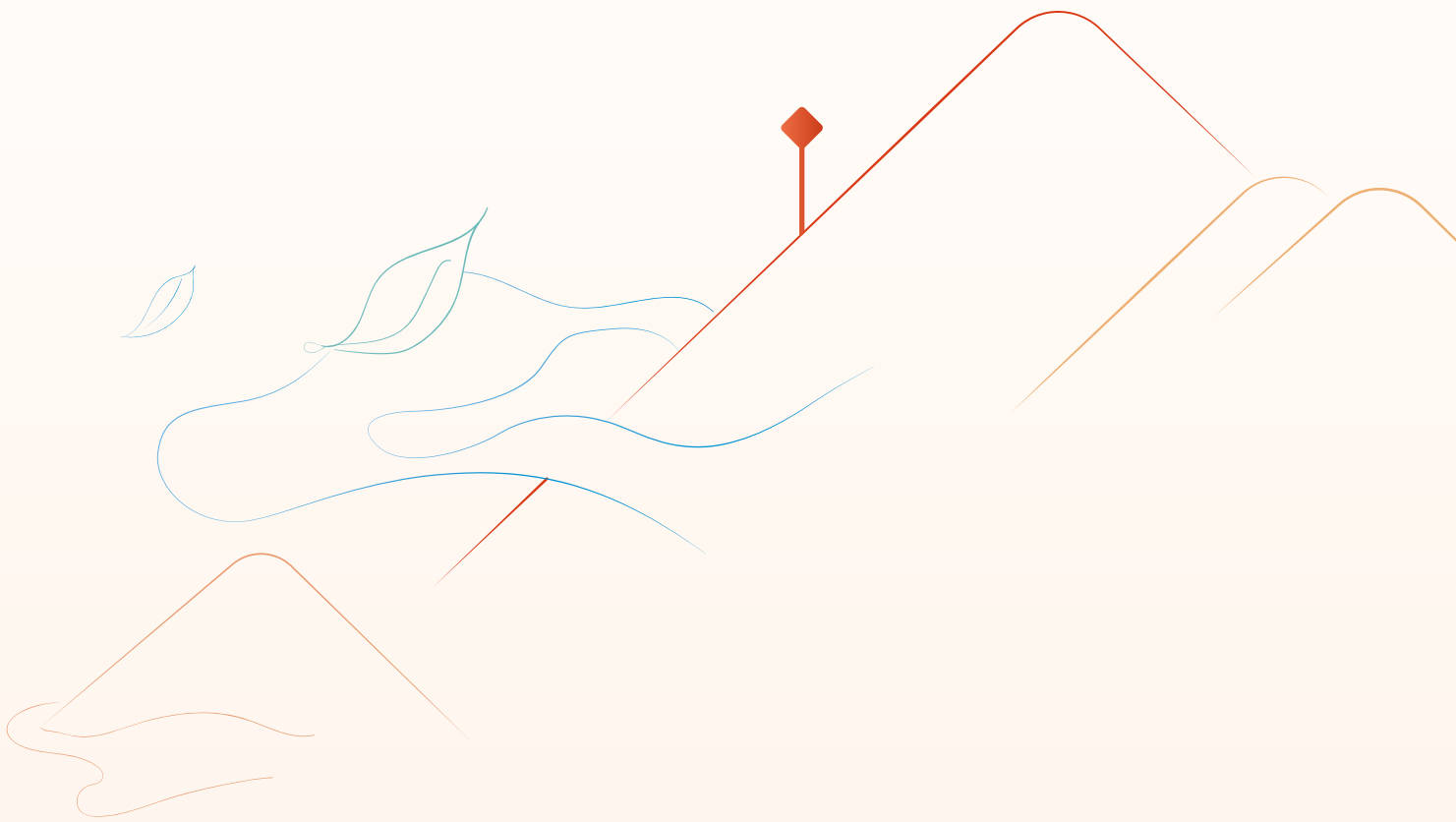


(A joint stock company incorporated in the People's Republic of China with limited liability under the Chinese corporate name 华泰证券股份有限公司 and carrying on business in Hong Kong as HTSC)

2023 CSR

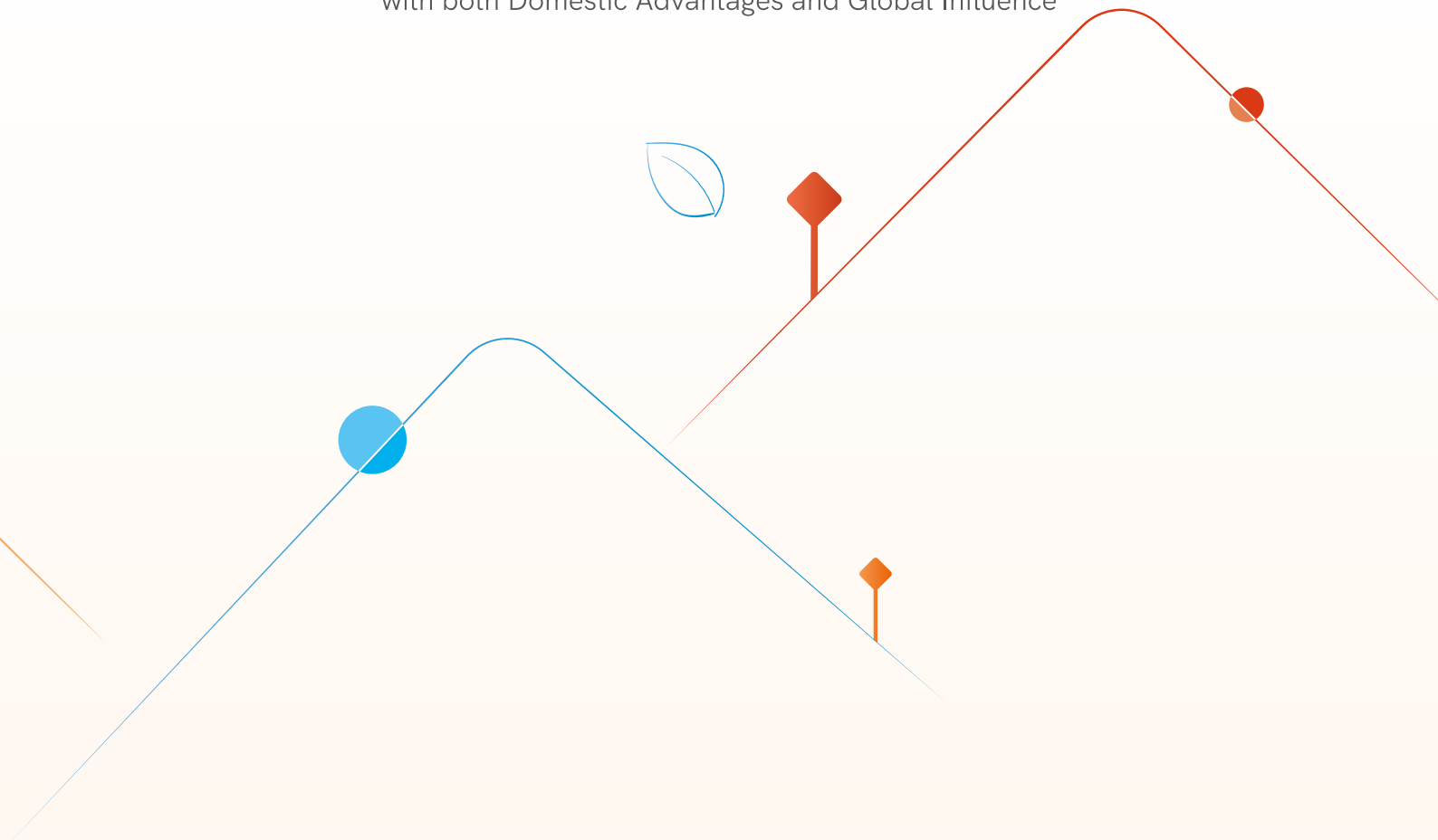
HUATAI SECURITIES
SOCIAL RESPONSIBILITY REPORT





HUATAI SECURITIES

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



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About This Report

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

◇ Scope

Organization Scope: Huatai Securities Co., Ltd., Huatai United Securities Co., Ltd., Huatai Securities (Shanghai) Asset Management Co., Ltd., Huatai International Financial Holdings Company Limited, Huatai Purple Gold Investment Co., Ltd., Huatai Innovative Investment Co., Ltd., Huatai Futures Co., Ltd. and Jiangsu Equity Exchange Co., Ltd.

Reporting Period: from January 1, 2023 to December 31, 2023.

Reporting Cycle: Annual. The last report is 2022 CSR report.

◇ Basis

The preparation of this report is in accordance with the Contents and Formats of Information Disclosure by Companies Offering Securities to the Public No. 2 – Contents and Formats of Annual Report (Revised in 2021) (《公開發行證券的公司信息披露內容與格式準則第 2 號——年度報告的內容與格式 (2021 年修訂) 》) (Chapter 5 Environment and Social Responsibility) issued by China Securities Regulatory Commission, the Guidelines of Self-regulation of Listed Companies No. 1 – Standard Operation by Listed Companies issued by the Shanghai Stock Exchange, and the Environmental, Social and Governance Reporting Guide set out in Appendix C2 to the Listing Rules and Guidance (with effect from December 31, 2023) issued by the Hong Kong Stock Exchange. Meanwhile, this report refers to the Sustainability Reporting Standards (GRI Standards) 2021 issued by the Global Reporting Initiative (GRI).

◇ Principles

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

Materiality

The threshold at which ESG issues determined by the board are sufficiently important to investors and other stakeholders that they should be reported.

Quantitative

KPIs in respect of historical data need to be measurable. The issuer should set targets (which may be actual numerical figures or directional, forward-looking statements) to reduce a particular impact. In this way the effectiveness of ESG policies and management systems can be evaluated and validated. Quantitative information should be accompanied by a narrative, explaining its purpose, impacts, and giving comparative data where appropriate.

Balance

The ESG report should provide an unbiased picture of the issuer’s performance. The report should avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.

Consistency

The issuer should use consistent methodologies to allow for meaningful comparisons of ESG data over time.

◇ Data Explanation

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

◇ Accesses

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



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

2023 is the first year for fully implementing the spirit of the 20th CPC National Congress as well as a crucial year of succession for the “14th Five-Year Plan”. Huatai Securities completely, accurately and comprehensively implemented the new development concept. After several years of continuous and in-depth exploration, it gradually established the featured and influential ESG governance framework and practice system of Huatai Securities and achieved the close combination and mutual promotion of the ESG concept with the endogenous development of the Company. Currently, the ESG concept has become the common value pursuit of all Huatai staff and a key impetus to the continuous progress of the Company. Leveraging on our unremitting efforts and outstanding practice, the MSCI ESG rating of the Company was raised from A to AA in 2023, making it the first company with the AA rating in the securities industry and edging into the world-leading level.

Establishing high-level ESG governance system

A complete governance structure and system is the key foundation of ESG practice. The Company has established a normalized ESG governance system with the linkage between upper and lower levels. The Board of Directors fully performed responsibilities for decision-making and supervision on ESG and sustainability-related affairs, considered ESG-related proposals and supervised the effects, risks and opportunities of ESG and sustainable development. The ESG Committee of the Company performs responsibilities on ESG governance under the authorization of the Board of Directors and the management and formulates and implements relevant strategies and systems on ESG and sustainable development in a timely manner. In 2023, the ESG Committee considered and released the Statements of Huatai Securities Co., Ltd. on Data and Information Protection and the Relevant Systems of Huatai Securities Co., Ltd. on Whistle-blowing and Protection of Whistle-blowers, which specified the work requirements of the Company on data security and the protection of personal information as well as the Company’ measures in whistle-blowing and the protection of whistle-blowers in order to improve employees’ awareness on information security, better safeguard customers’ privacy safety and legitimate interests and further create the cultural

atmosphere of the enterprise on compliance, integrity and incorruptibility.

Serving high-quality development of the real economy

Huatai Securities always considers serving the real economy as its own mission and undertaking. Facing the new round of technological revolution and industrial reform, the Company centered on national strategies on self-reliance on high-level technology and significant regional development, focused on semiconductor, advanced manufacturing, energy and environmental protection, healthcare and other key industries and promoted the rapid development of new quality productivity based on local conditions. From 2012 to the end of 2023, the Company served over 240 customers in Strategic Emerging Industries with a total market value of over RMB9 trillion. In 2023, it underwrote 77 bonds on technological innovation with a size of over RMB23.2 billion. Leveraging on the advantages of cross-border, integrated and comprehensive services covering the full business chains, the Company effectively satisfied the all-round investment and financing demands of corporate customers covering the full lifecycle and continuously promoted the intelligent, green and integrated development of modern industrial systems.

Promoting in-depth expansion of green finance

Green development is the grounding of high-quality development. Huatai Securities actively practices the concept of green development. While achieving the economic value, it continuously promotes the improvement of the environmental value. The Company constantly establishes and improves green service systems, promotes the concentration of high-quality resources in green sectors and continuously diversifies and promotes green bonds, green ABSs, green funds and other products. In 2023, the Company issued a total of four green ABS products and underwrote 51 green bonds with an underwriting scale of RMB27.54 billion. To implement the comprehensive conservation strategy, the Company actively explored green and low-carbon operation models and advanced energy-saving development through adopting clean energy, promoting paperless office and advocating green travelling, which effectively reduced the carbon footprint in the operation

of the enterprise. The Company has obtained the qualification for carbon emission trading in Hong Kong and the Mainland in recent two years, initiating the new development space of serving national strategies on “carbon peaking and carbon neutrality” with carbon financial businesses.

Improving climate risk control systems

Climate change is the common challenge faced in the world. The Company continuously strengthens the identification and control of climate-related risks and opportunities and establishes the management system on climate change risks. The Board of Directors is responsible for supervising climate-related risks and opportunities and the ESG Committee is responsible for the governance of climate change risks as well as the management of strategies, impacts, risks and opportunities. The Company adopted diversified means to continuously and deeply evaluate the impacts of climate change on strategies and business and formulated effective response measures. Meanwhile, the Company incorporated relevant factors on climate change into the business management and control process and set the indicator of “energy saving, emission reduction and climate change” in the ESG due diligence systems for clients to better control potential climate risk.

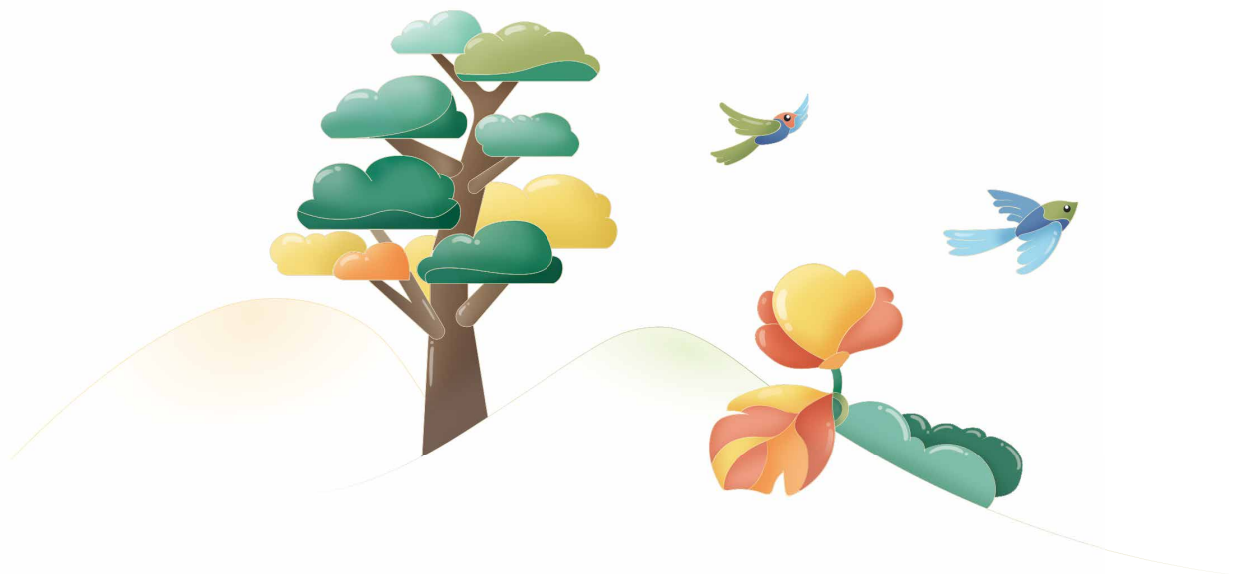
Facilitating deep and solid progress in public welfare undertakings

We always adhere to the responsibilities and undertakings of financial enterprises and carried out continuous exploration

and practice in social and public welfare causes. In 2023, the Company pooled resources from various parties and deeply tapped into rural revitalization, education and healthcare, ecological protection and other public welfare sectors by relying on Huatai Foundation. 93,722 children and 11,065 teachers have been benefited from the “One Commonwealth Heart of Huatai One Tomorrow” rural education program and the influence of the public welfare brand of “One Commonwealth Heart of Huatai” has been increasingly expanded. Meanwhile, the Company vigorously supported talent growth at different stages in environmental protection and public welfare sectors. It promoted all walks of life to participate in environmental protection in scientific and rational manners through hosting researches and studies for talents, establishing scholarships, subsidizing environmental activities and other diversified means.

Facing the new journey and the new future, the Company is committed to becoming a firm practitioner of the ESG concept and a trailblazer in innovative practices. It will actively advance the comprehensive and coordinated development of corporate operation, environmental protection and social progress, make outstanding contributions to stakeholders and continuously contribute Huatai’s intelligence and strength in the historical progress of the high-quality development of the real economy and finance.

March 2024



About Huatai Securities

◇ Company Profile

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

◇ Basic Information of the Company

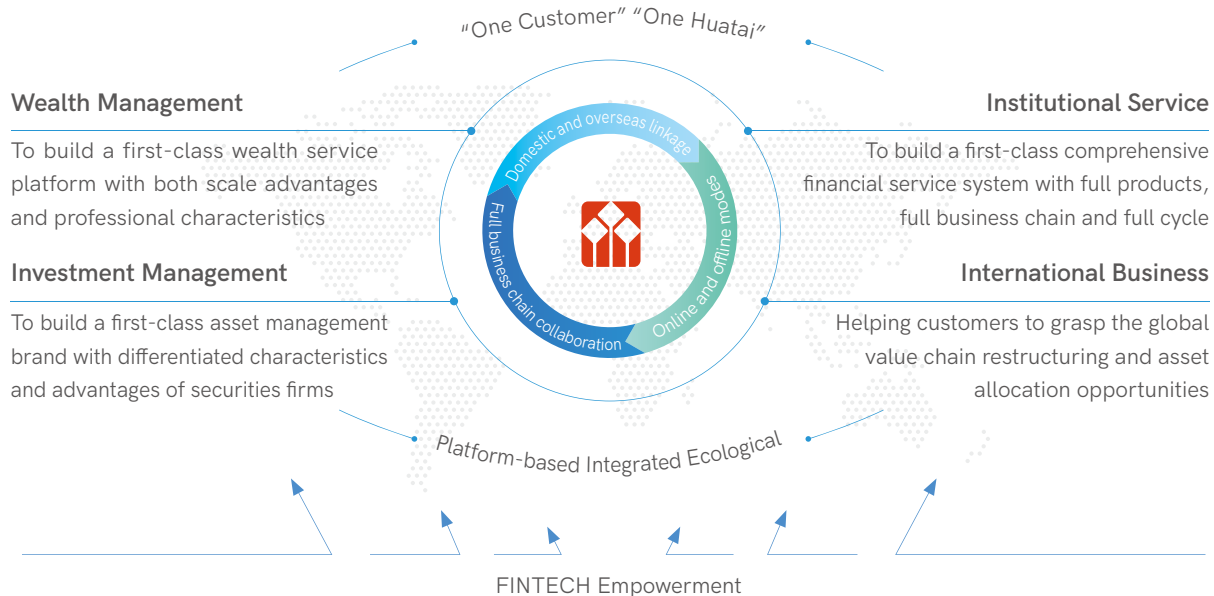
Chinese name	华泰证券股份有限公司
English name	HUATAI SECURITIES CO., LTD.
Principal businesses	Wealth management business, institutional services business, investment management business and international business
Major subsidiaries	Huatai United Securities, Huatai Asset Management, Huatai International, Huatai Purple Gold Investment, Huatai Innovative Investment, Huatai Futures and Jiangsu Equity Exchange
Domestic branches	242 securities branches and 28 branches in total
Overseas operating entities	Huatai International and its affiliate Huatai Financial Holdings (Hong Kong), AssetMark, Huatai Securities (USA) and the Singapore Subsidiary with the business covering various countries and regions including Hong Kong, the United States and Singapore.
Total assets	RMB 905,508.39 million
Operating income	RMB 36,577.59 million

Overview of the Company's Shares/Depository Receipts

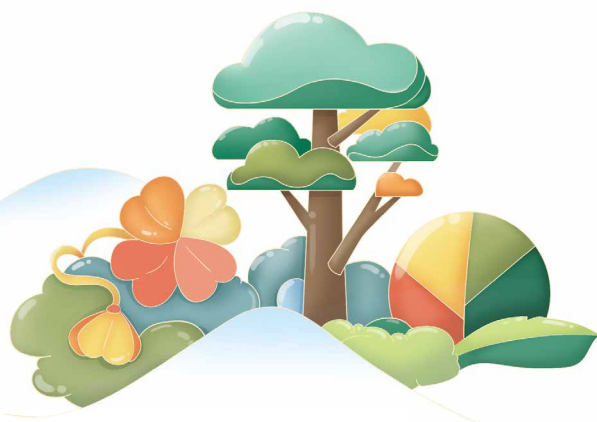
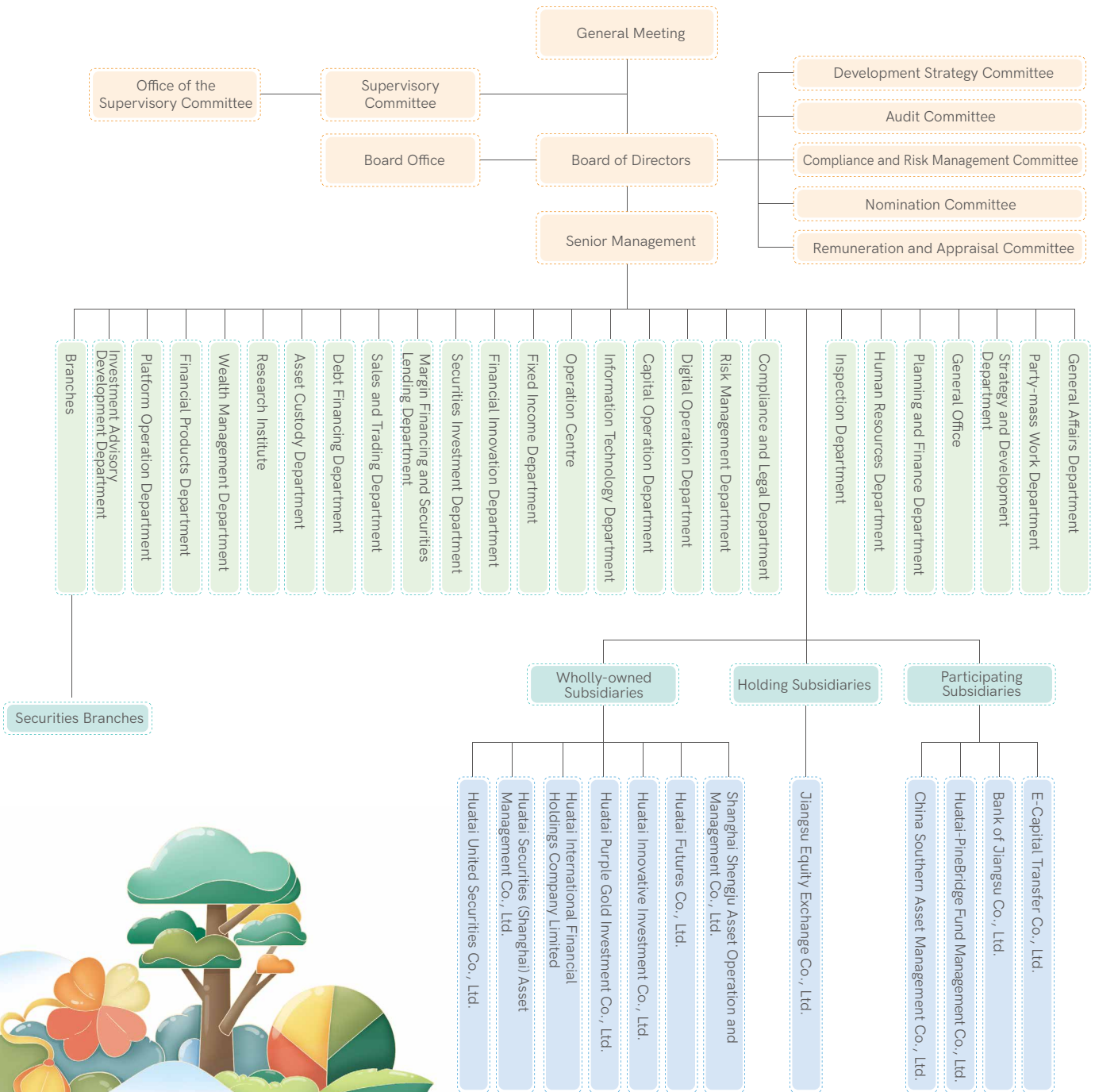
Type of share/depository receipt	A Share	H Share	GDR
Listing Exchange	Shanghai Stock Exchange	Hong Kong Stock Exchange	London Stock Exchange
Abbreviated name of securities	华泰证券	HTSC	Huatai Securities Co., Ltd.
Stock code	601688	6886	HTSC

Strategic Vision

By adhering to the development ideas of marketization and openness and consistently following the strategic thread of business platform-based development to continue to promote integrated and international development and create a brand-new business model of two-pronged, cross-border linkage and ecological interaction of wealth management and institutional services with technology empowerment; implementing a differentiated competitive tactic of "investment banking gene + full business chain" to build core competitiveness of future-oriented digital and intelligent development and develop significant leading edge and brand influence in key customer groups, key industries and key regions with an commitment to being a pioneer of industry reform and innovation and a promoter of sustainable development to maintain the level of high-quality development at the forefront of the industry, better fulfill the strategic responsibility of serving the high-quality development of the real economy and finance, help the construction of a modern industrial system, and create professional social value.



Organizational Structure



Response to the United Nations Sustainable Development Goals (SDGs)

United Nations SDGs	Our Actions
 <p>1 NO POVERTY</p>	<ul style="list-style-type: none"> ·Facilitating rural revitalization and promoting high-quality development in rural areas. ·Carrying out the “One Commonwealth Heart of Huatai One Tomorrow” project and helping children with difficulties.
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<ul style="list-style-type: none"> ·Attaching importance to employee physical checkups and care, constructing a three-pillar medical security system composed of “basic medical insurance + supplementary medical insurance + optional benefits”, purchasing commercial supplementary medical insurances for spouse and minor children of employees and implementing the Employee Assistance Program (EAP).
 <p>4 QUALITY EDUCATION</p>	<ul style="list-style-type: none"> ·Focusing on three major training topics featuring professional improvement, sector expansion and leadership development, developing the HTalent talent development system and paying continuous attention to employee training and growth.
 <p>5 GENDER EQUALITY</p>	<ul style="list-style-type: none"> ·No gender discrimination in recruitment and promotion. ·Caring about female workers and protecting the legitimate rights and interests of female workers.
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<ul style="list-style-type: none"> ·Supporting the development of new energy enterprises. ·Carrying out green office and using solar energy and other clean energy.
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<ul style="list-style-type: none"> ·Providing competitive salaries, guaranteeing employees’ welfare and interests as well as fair and transparent occupational promotion channels. ·Continuously enhancing the comprehensive financial services capability of the entire business chain of research, investment banking, investment and asset management to facilitate the high-quality development of the real economy.

United Nations SDGs	Our Actions
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<ul style="list-style-type: none"> ·Supporting infrastructure construction, the development of strategic and emerging industries and other key sectors.
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<ul style="list-style-type: none"> ·Strengthening supplier management, regulating procurement practices, independently developing the dynamic appraisal system on suppliers and clearly stipulating that “the Company shall give priority to purchasing energy saving and environmental protection products in procurement” in the Procurement Management Measures. ·Formulating the Administrative Measures for Marketing Publicity Activities and the Administrative Measures for Proxy Sale of Financial Products and carrying out strict management on marketing and referral materials and activities from marketing staff.
 <p>13 CLIMATE ACTION</p>	<ul style="list-style-type: none"> ·Carrying out the identification, evaluation and analysis of climate-related risks and opportunities, gradually improving the top-level design for managing climate-related risks and opportunities and enhancing the management on climate change issue.
 <p>15 LIFE ON LAND</p>	<ul style="list-style-type: none"> ·Setting up the “One Commonweal Heart of Huatai One Yangtze River” ecological protection public welfare project to facilitate the protection of biodiversity, and joining hands with public welfare organizations, university research institutes and the public to support ecological protection work. ·Making a “voluntary non-national commitment” with the theme of the “One Yangtze River One World” and promoting the mainstream of protecting biodiversity.
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<ul style="list-style-type: none"> ·Establishing modern corporate organization structure and management system to enhance the efficiency of corporate governance, strengthening business ethics and adhering to the bottom line of compliance. ·Improving ESG governance structure and enhancing ESG risk management.

Honors and Recognitions

Rating and awarding institution	Corporate performance
MSCI ESG Rating	AA
Wind ESG Rating	AA
Securities Times	At the selection of 2023 Junding Award in China's Securities Industry organized by Securities Times, Huatai Securities Research Institute was awarded the "2023 Junding Award for Industrial Service Research Institute in China's Securities Industry".
New Fortune	At the selection of the best analysts in 2023 organized by New Fortune, the fixed income research team of Huatai Securities Research Institute participated in the selection and was awarded the first place in the "Research on Fixed Income"
China Association for Public Companies	<p>"Best Practice Case" in the Creation of Best Practice of Board of Directors of Public Companies in 2023</p> <p>"5A Secretaries of Board of Directors" in the Appraisal on Performance of Secretaries of Board of Directors of Public Companies in 2023</p> <p>"Best Practice Case" in the Creation of Best Practice of Offices of Board of Directors of Public Companies in 2023</p>
Securities Times	"Prize for Outstanding Contributions to Green and Low-carbon Operation of Listed Companies in China" in the 17th Selection of Value of Listed Companies in China
China Corporate Governance Experts 50 Forum	Selected among the "Top 50 Listed Companies in Corporate Governance in China in 2023"
Cailian Press	Awarded the "Cailian Corporate ESG Endurance Prize (ESG Pioneer Prize)"
Wind	Selected among the "Top 100 Best ESG Practice of Listed Companies in China in 2023 by Wind"
Research group of the Bluebook on Social Responsibility of State Capital and State-owned Enterprises (2023)	Included in the "Pioneer 100 Index (2023) for Social Responsibility of State-owned Enterprises"

Continuously Deepening ESG Governance

Performance Highlights in 2023:



Carried ESG due diligence trainings

1,603 Number of people



Increase compared to last year

293 Number of people



The Company convened of the ESG Committee

2 meetings



Deliberating, adopting and releasing documents to the public

3 documents

As a firm practitioner of the environmental, social and corporate governance (ESG) concept, Huatai Securities considers the sustainable development as the core, closely follows cutting-edge ESG policies, rules, initiatives and measures and integrates the ESG concept into the Company's strategies, management and operation.

1.1 Deepening the ESG Concept

The Company always considers the performance of social responsibilities and the practice of the environmental, social and corporate governance (ESG) concept as a key part in its sustainable development strategies. The Company has always been adhering to its core values of "efficiency, honesty, prudence, and innovation" and its business philosophy of "trust of customers, pride of employees, satisfaction of shareholders, respect of society", integrating ESG standards into the operation and management of the Company, striving to create value for customers, shareholders, employees, society and other stakeholders.



Trust of Customers

The Company always places its customers at the center and strives to create value for its customers, so as to win their trust with high-quality financial services.

Pride of Employees

The Company values people that are both talented and morally respectable, for whom it has built a optimistic career development platform and fostered an optimistic corporate culture, so as to achieve common growth with its employees.



Responsibility Principles of Huatai Securities



Satisfaction of Shareholders

The Company standardizes its corporate governance structure and attaches great importance to risk management and compliant operation, aiming to achieve a stable increase in asset value and ensure sustainable returns to its shareholders.

Respect of Society

The Company values the harmonious development of the financial system and the society, gives full play to its professional strengths to facilitate social advances. It also actively participates in social welfare promotion and green development, fulfilling its responsibilities as a corporate citizen.

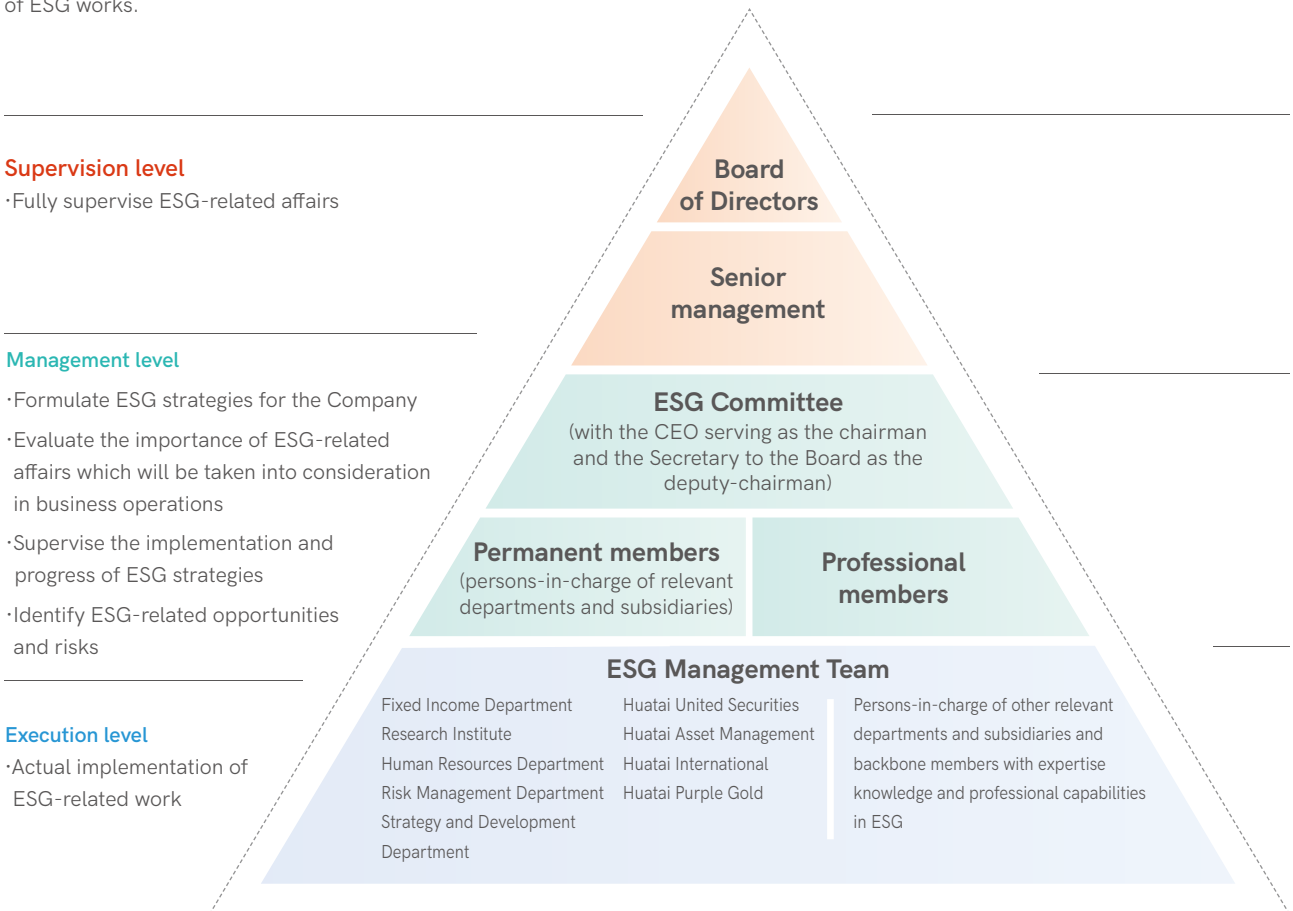
1.2 Improving ESG Management

The Company continuously improves the ESG management structure and the ESG management system and promotes the progress in its ESG work with scientific and effective management approaches.

◇ ESG Management Structure

Employing ESG management as part of its development strategy, the Company set up the ESG Committee under the direct leadership of the Board of Directors and the senior management of the Company to continuously improve its ESG management structure, established an ESG management mechanism with the linkage between upper and lower levels and continued to provide guarantees to the systematicness and effectiveness of its ESG management.

With the CEO and executive director serving as the chairman and the Secretary to the Board serving as the deputy-chairman, the ESG Committee of the Company assists and supports the Board of Directors and senior management of the Company in performing responsibilities under the authorization of the Board of Directors and comprehensively improves the performance of the Company on responsible investment and sustainable actions. The Company established an ESG management team under the ESG Committee and arranged liaison officers in relevant departments of the headquarters and in subsidiaries to be responsible for the actual implementation of ESG works.



Social Responsibility Management Structure of Huatai Securities

Major ESG-related Affairs Considered by the Board of Directors in 2023

ESG topics concerned	Contents considered
Corporate governance	<ul style="list-style-type: none"> Considered and approved the Articles of Association (Revised in 2023), the Working System for Independent Directors of Huatai Securities Co., Ltd. (Revised in 2023) and other relevant systems on corporate governance.
Information disclosure	<ul style="list-style-type: none"> Considered and approved the 2022 Corporate Social Responsibility Report of Huatai Securities, covering serving the real economy, responding to climate change, protecting biodiversity, employment development and trainings, responsible investment and other contents.
Risk management	<ul style="list-style-type: none"> Considered and approved the Basic Management System on Risk Management of Huatai Securities Co., Ltd. (Revised in 2023), the 2022 Risk Management Report and monitored the construction, implementation and operation of risk management mechanisms.
Compliance management	<ul style="list-style-type: none"> Considered and approved the 2022 Compliance Report of Huatai Securities and listened to the Work Report on Anti-money Laundering of Huatai Securities for 2022.

Major ESG-related Affairs Considered by the Development Strategy Committee of the Board of Directors in 2023

ESG topics concerned	Contents considered
Development Strategy	<ul style="list-style-type: none"> Considered and approved the 2022 Annual Report on Cultural Construction Practice of Huatai Securities and the Implementation Plan for Benchmarking Against World-class Enterprises for Value Creation Actions of Huatai Securities.

◇ ESG Management Systems

The ESG management systems of the Company cover employees' interests and welfare, code of conduct on suppliers, anti-corruption and integrity, environmental and social management as well as other aspects. The Articles of Association of the Company set out explicit provisions on balancing the benefits of all related parties, protecting investors' legitimate interests, paying taxes according to laws, performing social responsibilities and other ESG-related topics. The Company prepares and implements relevant systems on ESG management to provide institutional support to the management of ESG-related work.

The Company continued to improve the ESG management. In 2023, the Company organized and convened 2 meetings of the ESG Committee, which considered, approved and released 3 documents, including the 2022 Corporate Social Responsibility Report of Huatai Securities Co., Ltd., the Statements of Huatai Securities Co., Ltd. on Data and Information Protection and the Relevant Systems of Huatai Securities Co., Ltd. on Whistle-blowing and Protection of Whistle-blowers.

1.3 Strengthening ESG Risk Management

The Company attaches importance to ESG risk management, identifies, analyzes and manages possible significant ESG issues of clients through due diligence and other means. It focuses on climate-related risks, strengthens ESG risk management capabilities and improves the results and level of the management of ESG risks.

◇ ESG Due Diligence

The Company continuously improves relevant policies and systems on ESG due diligence, incorporates the ESG due diligence management mechanisms on clients into the procedures of financing, private equity investment and investment banking businesses and implements regular ESG due diligence on clients.

The Company formulated and implemented the Guidelines for Due Diligence on Clients' Environmental, Social and Governance (ESG) (the "Clients' ESG Due Diligence Guidelines"). It set up evaluation indicators and scoring rules with operability on environmental, social and governance aspects, specified the identification, tracking and escalation mechanism for clients' ESG risks in financing, private equity investment and investment banking businesses, effectively identified, analyzed and managed possible ESG risks of clients and prevented the conversion of clients' ESG risks into the credit risk of the Company.

The Company continuously improves the clients' ESG risk management systems and attaches great importance to due diligence on clients' ESG risks in industries with high environmental risks. In the Clients' ESG Due Diligence Guidelines, it specified that it should strengthen due diligence on the ESG risks of clients in industries with high environmental risks, namely agriculture, biodiversity, energy use, forestry, mining, oil and natural gas, transport and materials and required that clients in industries with high environmental risks shall abide by relevant industrial policies. It released the Reference Index of Policy Documents on Industries with High Environmental Risks, Biodiversity and Climate Change (Revised in 2022) as a supporting instrument in ESG due diligence on clients, which involves industries and sectors with high environmental risks, namely agriculture, energy use, forestry, mining, oil and natural gas, transport and materials. It specified that it shall refer to the information on projects in the lists of encouraged, restricted, and to be eliminated in the Industrial Structure Adjustment Guidance Catalogue released by the National Development and Reform Commission as well as relevant policies in biodiversity, climate change and other sectors.

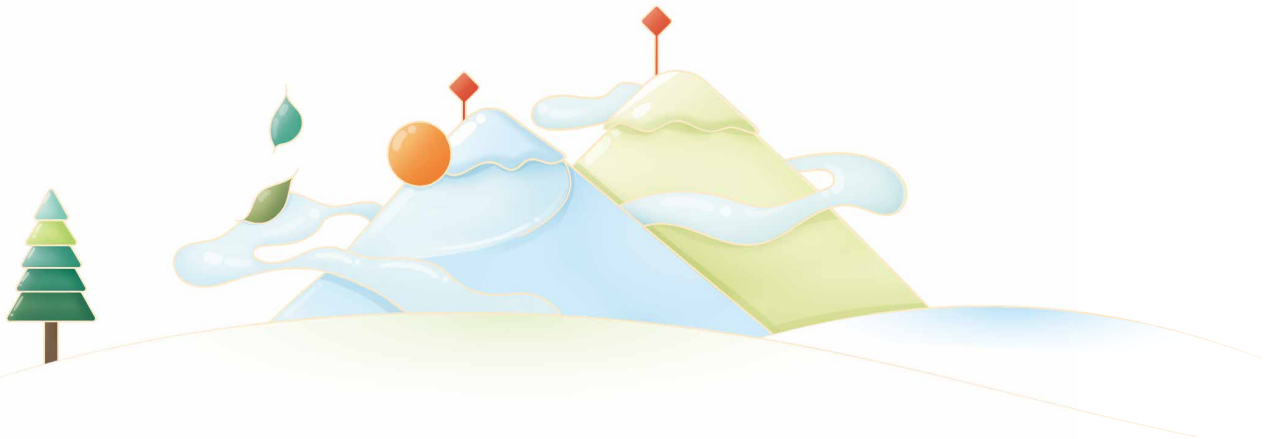
Procedures of ESG Due Diligence

The Clients' ESG Due Diligence Guidelines specifies that ESG due diligence on clients is required on the financing business, the private equity investment business and the investment banking business. As a part of due diligence, it is integrated into the process of credit risk management. The Company actively controls the ESG risks of clients in investment banking, private equity, financing and other types of business.

- Project review period: A client is considered to have high risks if the score of the ESG due diligence on the client is less than 60 points and it is required to focus on whether it is a high-risk client. Currently, the Company has no clients with high ESG risks.
- Business duration period: If the level of a client's ESG risks is raised to high, it is required to further evaluate the possibility and the degree of the conversion of the client's ESG risks into financial risks and the significant effects on its credit and performance of contracts. It will adopt risk prevention measures and report to the responsible persons and the risk management department responsible for the business depending on actual conditions.

Practice of ESG Due Diligence

- During the ESG due diligence on a customer engaged in energy and construction, it focused on the fulfillment of environmental and social responsibilities in the place where its projects are located. The customer abides by relevant laws and regulations and promotes energy saving and emissions reduction without damaging local ecological environment and the protection of diversity of species. It is not a customer with high ESG risks after the ESG due diligence on it. The Company carried out business cooperation with the customer after the approval procedures and paid continuous attention to the customer's ESG performance during the duration period.
- For a customer in the new energy vehicle industry, it makes active contributions to energy saving and environmental protection as well as the facilitation of carbon emission reduction. It is a customer with low ESG risks after the ESG due diligence on it. The Company carried out business cooperation with the customer after the approval procedures and paid continuous attention to the customer's ESG performance during the duration period.



◇ Trainings on ESG Risk

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



Expanding the training coverage

- On the basis of the studies completed in previous years, the Company continuously required new employees of relevant units (all business lines conducting the ESG due diligence on customers, including relevant employees in investment banking and risk control departments) recruited in the society and on campus to complete online trainings (supporting learning at mobile ends).
- Encouraged and advocated employees of other business lines of the Company to participate in trainings.



Diversifying the training courses and contents

- The contents of trainings in the Clients' ESG Due Diligence Guidelines include the process of implementation and management of clients' ESG due diligence and the application model of the evaluation form.



Optimizing the training and publicity methods

- Carried ESG due diligence trainings based on HTSC Cloud Academy. In 2023, a total of 1,603 participants have completed the learning of the course at HTSC Cloud Academy, representing an increase of 293 participants as compared with last year.
- Three articles on the publicity of the ESG risk management concept and due diligence on clients were pushed through the internal official account "Risk Steward" (towards all employees of the Company):

ESG Risk Management Practice in the Securities Industry

How ESG Risks Affect Client Companies and Financial Institutions Providing Services for Them

From Tesla: What Are Companies with Differentiated ESG Performance

◇ Technology on ESG Risk

The CAMS system is the unified credit risk management instrument and credit research platform of the Group developed by Huatai Securities, which has incorporated ESG factors into the corporate risk portrait module as a key component. Based on the industry classification data at the bottom, public opinion data and alternative featured indicators (such as energy consumption per ton of steel (for the steel industry)), the system establishes ESG analysis modules covering five dimensions, namely industry, finance, environment and accident, general violation of laws and regulations and corporate governance. Leveraging on big data, NLP and other technological means, it continuously follows and monitors the level of exposure to ESG risks and the response to ESG risks of listed companies and bond issuers.

In addition, ESG factors are supplements to the traditional credit analysis. The CAMS has incorporated relevant factors into the core credit analysis framework. Currently, it has established a linkage mechanism with negative ESG-related public opinions and the CAMS credit qualification scores. The triggering of ESG alarming signals will finally affect the subject credit qualification scores and the investment access judgment based on scores.



Application Practice of the CAMS System

A company is the coal platform under the state-owned assets supervision and administration commission of a prefecture-level city in western regions and is principally engaged in the mining of blind coal. The coal field where it operates is one of the six major blind coal fields with high coal quality. The cost per ton of coal of the company is quite low and its gross profit margin is higher than other blind coal enterprises. Meanwhile, it enjoys high flexibility in external financing and holds high value of equity interests in listed companies. Despite the heavy debt pressures, its short-term liquidity pressure is under control. With satisfactory fundamentals, the CAMS system noted that the company experienced a serious mining accident in early January 2023, resulting in 4 deaths due to the mine flood. Meanwhile, it is reported that senior management of the company are suspected of violation of laws and disciplines. They fell into the scope of safety accidents and violation of laws and regulations under the ESG evaluation framework. Based on ESG factors, the CAMS degraded the credit qualification score of the subject to 6-1.

1.4 Practicing the Concept of Responsible Investment

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

◇ System of Responsible Investment

The Company improved the organizational structure and management on responsible investment and included ESG factors in preliminary screening on investment targets, in-depth analysis of the investment and research team, approval and decision-making of the investment decision-making committee. The Company clearly required relevant business units to incorporate ESG factors into the full investment process of company-wide equity investment business (including equity investment in listed companies and equity investment in emerging markets), fixed-income investment business, private equity investment and equity investment in alternative investment business and continuously improved the investment decision-making procedures with ESG considerations integrated. It included three important factors, namely environmental responsibility, social responsibility and corporate governance, as restrictive indexes, into regular investment decision-making, comprehensively implemented the concept of responsible investment and kept improving the effectiveness of ESG management including the responsible investment.

Responsible Investment Framework System of Securities Investment Business

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

Under the overall framework of responsible investment, the Company continuously promoted the application of responsible investment strategies, such as positive screening, negative screening, ESG integration, sustainability themed investing and impact investment, in the investment business and improved the efficiency and quality of work on responsible investment by leveraging on the CAMS system.

Application of Positive Screening Investment Strategy in Investment

In June 2023, CAMS conducted rating on a company. The enterprise is principally engaged in water and water environment management as well as power, road, urban complex development and other businesses. The enterprise is responsible for raw water supply for Hong Kong, Shenzhen and Dongguan. The annual water supply by Dongguan-Shenzhen water supply project to Hong Kong accounts for 80% of the total water demand of Hong Kong. It is one of key foundations for the prosperity and stability of Hong Kong and the accelerated development of Shenzhen and Dongguan and is of high social value and era significance. Considering its corporate strength and ESG performance, CAMS raised its entity rating to 3-1.

Application of Negative Screening Investment Strategy in Investment

In June 2023, CAMS conducted rating on the convertible bonds issued by a medical science and technology company. The CAMS-ESG module warned that there are significant negative defects in environment and accidents-safety accidents, corporate governance-regulatory punishments and other aspects. Considering its corporate strength and ESG defects, CAMS determined its entity rating to be 6-2 (high yield) and no regular bond investment is allowed.

◇ Practicing the Principles of Responsible Investment

Since Huatai Asset Management officially signed the contract and joined the United Nations-supported Principles for Responsible Investment (UNPRI) in 2021, it has been continuously implemented the principle and concept of responsible investment in the asset investment business. It enhanced researches and communications on responsible investment and actively communicated and cooperated with peers and international advanced institutions and organizations.



Performance Highlights of Huatai Asset Management in Responsible Investment

Two-way empowerment of green development with boosted efforts in investment and financing

In terms of financing, Huatai Asset Management insists on the commitment to leverage the advantages of asset securitization business, practices the dual-carbon strategy, implements the ESG concept from the financing side through innovative green asset securitization products, and directly participates in the construction of green projects in energy, environmental protection and other sectors to support the development of green finance.

In terms of investment, Huatai Asset Management fully draws on overseas investment experience, comprehensively promotes ESG investment, incorporates ESG-related requirements into the whole process of investment research and guides more capitals to flow to green and environmental protection and other fields of sustainable development. It carries out the relatively prudent implementation of the negative screening strategy with conditions.

Providing diversified choices through innovation in green asset management products

It guides investors to prefer enterprises with better ESG performance through innovation and diversification of green products and provides enterprises with rapid, long-term and stable capital support through diversified credit enhancement methods.

It makes various attempts in green innovation. As at the end of 2023, Huatai Asset Management has issued a total of 23 green ABS products (including 1 blue ABS product), most of which are firstly created in the industry, covering blue, hydropower, solid waste treatment, new energy, carbon neutrality and other industries with a total issuance scale of RMB28.8 billion.

Facilitating green financial ecosystems through comprehensive linkage based on the big platform of the Group

Focusing on the full business chain of the Group, Huatai Asset Management establishes and connects ecosystems of investment banking and investment, implements the concept of green development in the whole process from capitals to products and assets and provides customers with more comprehensive and personalized green financial services and solutions.

Leveraging on the strength of platforms, it facilitates green finance through asset securitization business and strengthens cooperation in the supply of green assets.

Strengthening the integration of technology, improving the asset management efficiency and reducing green premiums

Leveraging on digital technology and fintech, Huatai Asset Management links participants in green development, solves the problems in the development of green finance, improves efficiency and actively promotes the reform of green development modes.

1.5 Communications with the Stakeholders

The Company considers the demands of stakeholder in formulating ESG strategies and optimizing ESG management. The Company focuses on concerns of seven stakeholders including shareholders and creditors, government and regulatory authorities, customers, employees, suppliers and partners, communities, and peers, on sustainable development and integrates the concerns of all stakeholders into the operation and decision-making processes through the normalized communication mechanism to improve the efficiency of communications with stakeholders, jointly promote the practicing of the ESG concept with stakeholders and create value for all stakeholders.

Communication with and Response to the Stakeholders of Huatai Securities

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

1.6 Analysis of Material Topics

The Company fully understands the needs, views and expectations of all stakeholders it and determines concerns and important topics of stakeholders through the identification and evaluation of topics. It incorporates material topics with higher priorities into the management and decision-making, business and routine operation of the Company, and responds to stakeholders' needs in time and strengthens communications with stakeholders.



◇ Significance Evaluation Process

The Company conducts comprehensive internal review and analysis of material topics each year. It conducts the analysis of material topics based on the process of identification, evaluation and reporting and ensures that the annual social responsibility report can sufficiently reflect the environmental, economic and social impacts of the Company.

Analysis Process of Material Topics of Huatai Securities

Identification stage

- Interpreting macro policies and industrial hotspots and specifying the policy orientation and development opportunities in fulfilling responsibilities by Huatai Securities; updating and adjusting ESG and social responsibility topics based on the requirements of relevant ESG regulations of the Hong Kong Stock Exchange, the Company's development strategies and social responsibility practices.

Evaluation stage

- Evaluating 24 topics in respect of the significance on stakeholders and the significance on Huatai Securities based on the surveys and key concerns of stakeholders combined with interviews with key departments of the Company and the judgments of external experts.

Reporting stage

- Building the matrix for material topics based on evaluation results, obtaining the priority results of topics combined with the significance of topics and making key disclosure of topics with high significance in the report.

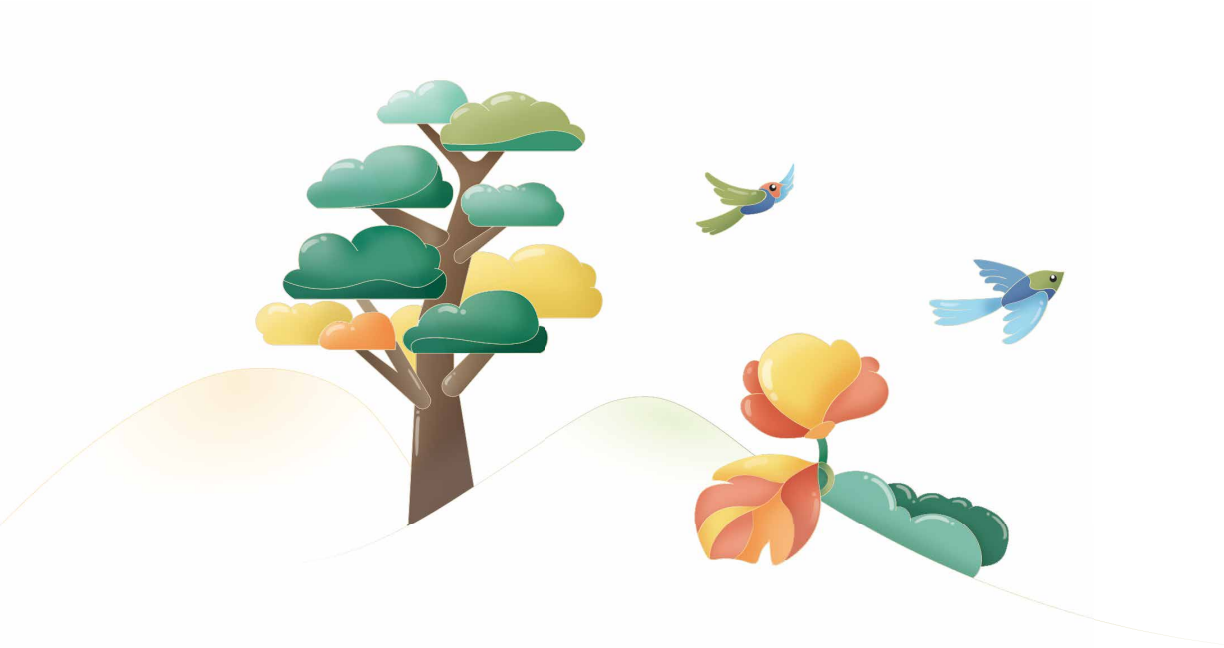
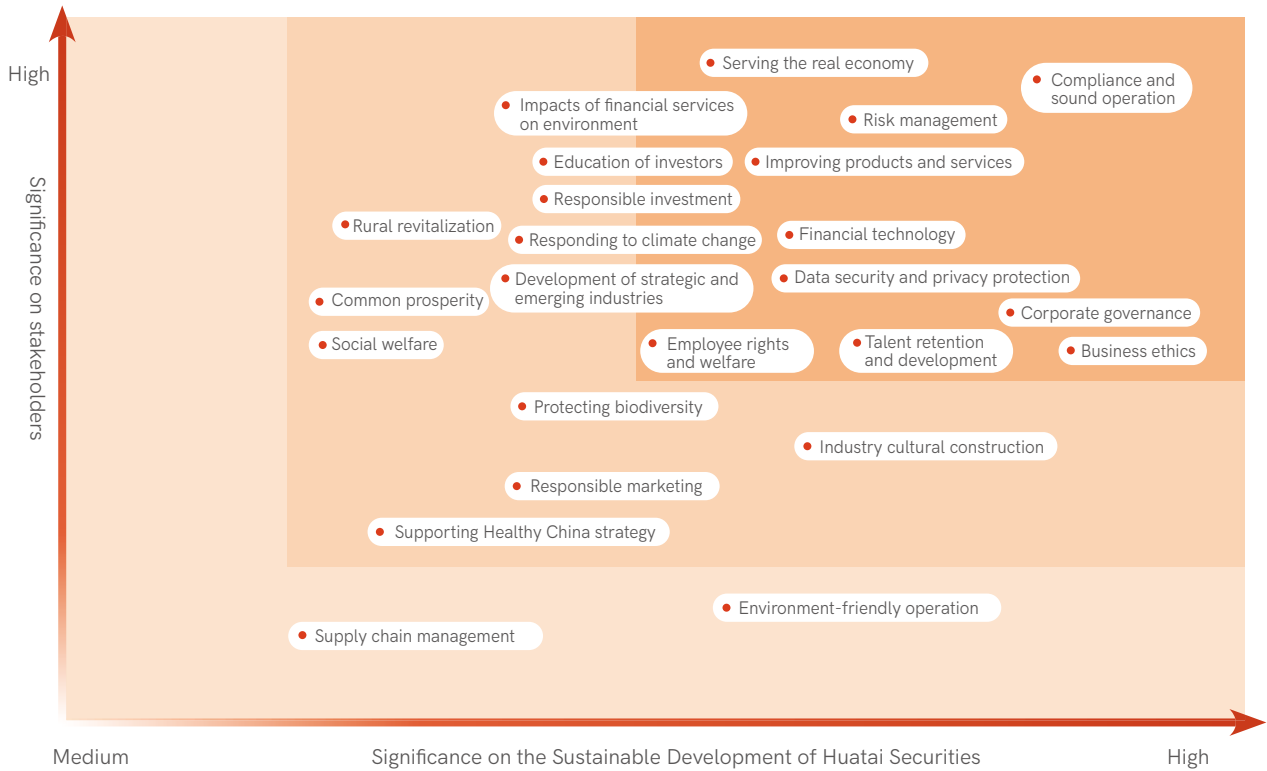
◇ Identification of Material Topics

In 2023, the Company adjusted the topic of “compliance operation” into “compliance and sound operation” and the topic of “improving services for customers” into “improving products and services” and expanded the connotation of relevant topics on operation and development as well as serving customers. Meanwhile, it added the topic of “supporting Healthy China strategy” and attaches importance to making contributions to social stability and development.

Table: Material Topics for Three Consecutive Years

2021	2022	2023
Serving the real economy	Serving the real economy	Serving the real economy
Risk management	Risk management	Risk management
Talent retention and development	Talent retention and development	Talent retention and development
Compliance operation	Compliance operation	Compliance and sound operation
Improving services for customers	Improving services for customers	Improving products and services
Corporate governance	Corporate governance	Corporate governance
Financial technology	Financial technology	Financial technology
Business ethics	Business ethics	Business ethics
Industry cultural construction	Industry cultural construction	Industry cultural construction
Social welfare	Social welfare	Social welfare
Employee rights and welfare	Employee rights and welfare	Employee rights and welfare
Responding to climate change	Responding to climate change	Responding to climate change
Rural revitalization	Rural revitalization	Rural revitalization
Responsible investment	Responsible investment	Responsible investment
Data security and privacy protection	Data security and privacy protection	Data security and privacy protection
Education of investors	Education of investors	Education of investors
Environment-friendly operation	Environment-friendly operation	Environment-friendly operation
Supply chain management	Supply chain management	Supply chain management
Responsible marketing	Responsible marketing	Responsible marketing
Workplace diversity and inclusiveness	Common prosperity	Common prosperity
Impacts of financial services on environment	Impacts of financial services on environment	Impacts of financial services on environment
	Development of strategic and emerging industries	Development of strategic and emerging industries
	Protecting biodiversity	Protecting biodiversity
		Supporting Healthy China strategy

Matrix for Material Topics in 2023



Actively Supporting National Strategies

Performance Highlights in 2023:



Number of equity underwritten

72 companies



Underwriting amount

91.30 billion



Number of bonds underwritten

3,150 bonds



Group bond underwriting amount

1,255.85 billion



The actual bid value of local government bonds

51.26 billion



Ranking

first in the industry

Huatai Securities actively serves national strategies, always takes serving real economies as the starting point and ultimate goal in its business development to practically meet the diversified financial demands in the development of real enterprises. It made efforts in serving strategic emerging industries, promoting regional coordinated development and promoting higher-standard opening up and facilitating industrial transformation and upgrading as well as industrial adjustments.

2.1 Serving the High-quality Development of Real Economies

With the focus on strategic emerging industries, the Company proactively supports the development of technological innovation enterprises, private enterprises, small and medium enterprises and other real enterprises, efficiently integrates the full business chains covering research, investment banking, investment and asset management and enhances the capability to provide integrated financial service by relying on a highly collaborative business model. Meanwhile, it actively carries out publicity and communication activities with the theme of serving real economies on serving real economies to facilitate the high-quality development of real economies.

◇ Supporting the Development of Strategic Emerging Industries

The Company focuses on photovoltaic, semiconductor, optical resist and other industries and guides capitals to flow to strategic emerging industries to facilitate the operation and development of relevant enterprises.

Supporting the Photovoltaic Industry

In June 2023, Changzhou Shichuang Energy Co., Ltd. ("Shichuang Energy") was officially listed on the STAR Market of Shanghai Stock Exchange with Huatai United Securities as the sole sponsor and the lead underwriter. As a platform-based supplier of new photovoltaic technology, Shichuang Energy is principally engaged in the R&D, production and sale of auxiliaries for the photovoltaic wet process, photovoltaic equipment and photovoltaic batteries and is a specialized and sophisticated enterprise that produces new and unique products and a high- and new-tech enterprise at the state level. Based on its profound understanding of silicon materials and fully leveraging on its "interdisciplinary and integrated" R&D advantages, Shichuang Energy developed and launched solutions to the technology bottlenecks in different production processes of photovoltaic batteries, achieving the full coverage of top five manufacturers of photovoltaic battery components and batteries in the world in terms of the output.



◆ Supporting Shichuang Energy to land on the STAR Market of Shanghai Stock Exchange

Supporting the Optical Resist Industry

In July 2023, Shenzhen Rongda Photosensitive & Technology Co., Ltd. ("Rongda Photosensitive") successfully completed the issuance of A shares to targeted participants and raised total proceeds of RMB400 million. Huatai United Securities served as the sole sponsor and the lead underwriter. Rongda Photosensitive is a national high- and new-tech enterprise, a single champion product enterprise in the manufacturing industry at the state level and a national "small giant" specialized and sophisticated enterprise that produces new and unique products and has been devoted to the R&D, production and sale of optical

resist products. Rongda Photosensitive is the biggest wet-film optical resist and solder resist ink enterprise in China and is among global leaders in terms of its market position in PCB optical resist products. It is one of the few domestic enterprises with the mass production capability on optical resist products for display and semiconductors.

Supporting the Semiconductor Industry

In May 2023, Smarter Microelectronics (Guangzhou) Co., Ltd. ("Smarter Microelectronics") was officially listed on the STAR Market of Shanghai Stock Exchange. Total proceeds of RMB1,136 million were raised in the offering. Huatai United Securities served as the sole sponsor and the lead underwriter. Smarter Microelectronics is principally engaged in the R&D, design and sale of radio frequency front-end chips and modules. After over ten years of accumulation and development and with chips for power amplifiers as the core, Smarter Microelectronics has the design capability on complete set of radio frequency front-end chips and the R&D capability on integrated modules and can provide customers with a basket of radio frequency front-end solutions. Its products have been widely applied in domestic and overseas well-known smartphone brands and manufactures of wireless communication modules.

Supporting the Transformation and Upgrading of Traditional Enterprises

The Company vigorously contributes to the transformation and upgrading of traditional enterprises and facilitates traditional industries and enterprises to meet the development requirements in the new era.

Assisting Green and Low-carbon Transformation of the Coal Industry

On March 29, 2023, Jiangsu Xukuang Energy Co., Ltd. ("Xukuang Energy") was officially listed on the Main Board of Shanghai Stock Exchange, becoming the first listed company in the coal industry in recent ten years in the A-share market. Total proceeds of RMB4,257 million were raised in the offering. Huatai United Securities served as the sole sponsor and the lead underwriter. It facilitated

Xukuang Energy to develop solar photovoltaic power generation and other new energy and vigorously advanced the green and low-carbon development of high-carbon enterprises. Xukuang Energy has achieved significant progress in the construction of energy bases and showed a sound trend in the adjustment of the energy structure. It has become an important platform for inter-provincial energy cooperation in Jiangsu Province, a key channel for guaranteeing coal-fired power supply out of the region and a major engine for the optimization of the energy structure.



◆ Supporting Xukuang Energy to land on the Main Board of Shanghai Stock Exchange

◇ Serving Technological Innovation Enterprises

Enhancing the subject position of technological innovation enterprises is an intrinsic requirement under the high-quality development. The Company vigorously supports technological innovation enterprises and provides them with full-process services.

Assisting the Listing of Shunyu Water on the ChiNext of Shenzhen Stock Exchange

In July 2023, Anhui Shunyu Water Co., Ltd. ("Shunyu Water") was officially listed on the ChiNext of Shenzhen Stock Exchange. Total proceeds of RMB861 million were raised in the offering. Huatai United Securities served as the sole sponsor and the lead underwriter. Shunyu Water is devoted to the R&D of energy-saving and low-carbon technology in the water industry, the manufacturing of high-end intelligent equipment, the integration of big data information and the construction of intelligent algorithm platforms. It is a national high- and new-tech enterprise, a national "small giant" specialized and sophisticated enterprise that produces new and unique products, a national "demonstration

enterprise in serving the manufacturing industry" and a national "enterprise meeting the specifications and conditions on the manufacturing of environmental-friendly equipment". It was approved as a national workstation of postdoctoral scientific researches and a research center of energy-saving and off-peak intelligent water supply systems.

Conducting Equity Investment in Zhejiang UE

Jiangsu Purple Gold Hongyun Health Industrial Investment Partnership (Limited Partnership) under the management of Huatai Purple Gold completed the first contribution to the equity investment in Zhejiang UE Medical Corp. ("Zhejiang UE").

Zhejiang UE was established in 2010 and conducted share reform in 2020. Its products include visual airway management instruments and endoscopes such as visual laryngoscopes, visual laryngeal masks and electronic bronchoscope. Currently, it is the biggest enterprise engaged in the R&D and production of visual laryngoscopes in China and one of the leaders in the new airway management instrument industry in China.

◇ Serving Private Enterprises

The Company provides diversified financial services for private enterprises and boosts the confidence of private enterprises in development.

Supporting Private Enterprise in Spot PVC Trade

Guangzhou Yifanfeng Trade Co., Ltd. engages in spot PVC trade. Under the support with the services of Huatai Futures, the enterprise decided to establish virtual inventory with exchange-traded options and purchase spot goods to close options after the basis narrows.

The program was to guide industrial customers to understand and use options and provide the enterprise with more choices in risk management. During the process, Huatai Futures learnt that the enterprise is mainly exposed to risks on price fluctuations at the procurement end. It advised the enterprise to purchase

call options at first for hedge. The major issue in the formulation of plans by the enterprise was the high cost of options. After taking full account of data on the industry and the inherent conditions of such company, Huatai Futures advised the enterprise to choose virtual options and bull spread options for hedge. It finally assisted in the successful implementation of the strategy by the enterprise and achieved satisfactory hedge results.

Supporting Private Enterprise in R&D of Computing Architecture

Huatai Innovative Investment facilitates private enterprises in financing and development through direct investment. As a specialized and sophisticated enterprise that produces new and unique products, YUSUR Technology Co., Ltd. ("YUSUR") is a hard technology enterprise engaged in the R&D of special computing architecture in the industry and is devoted to providing chips and product solutions for intelligent computing. Through the improvement of computing efficiency with the support of hardware, the products of YUSUR facilitate reducing energy consumption. It is in line with national strategies and contributes to the reduction of energy consumption in industries and the society.

After investment in YUSUR through direct investment, Huatai Innovative Investment continued to empower post-investment management in 2023 to facilitate the financing and business development of technology enterprises and achieve growth with the invested enterprise.

Huatai International Facilitates the Listing of Private Enterprise

As a leading provider of equipment operation services in China, Horizon Construction Development Limited ("Horizon Construction Development") has comprehensive equipment portfolios and strong service capabilities. It provides all-round and multi-functional services covering the full cycle of projects and is one of the leaders in aerial work platform equipment operation, neo-excavation support system operation and neo-formwork system operation service markets.

On May 25, 2023, Horizon Construction Development was successfully listed on the Main Board of the Hong

Kong Stock Exchange. The global offering of Horizon Construction Development was priced at HK\$4.52 per share and a total of approximately 360 million shares were issued with proceeds of HK\$1.65 billion. Huatai International acted as the leader sponsor, the overall coordinator, the joint global coordinator, the joint bookrunner and the joint lead manager. Leveraging on its rich communication experience in the capital market, Huatai International accurately conveyed the core competitiveness and investment value of the company and introduced and targeted many world-renowned investors for Horizon Construction Development, safeguarding its successful listing.



◆ Supporting Horizon Construction Development to land on the Main Board of the Hong Kong Stock Exchange

◇ Serving Small, Medium and Micro Enterprises

The Company continuously boosts support to small, medium and micro enterprises, assists them to solve financing difficulties and precisely solves their difficulties and problems.

Boosting Supports to Small, Medium and Micro Enterprises

Nanjing Huatai Guoxin Medical Investment Partnership (Limited Partnership) under the management of Huatai Purple Gold completed the equity investment in Chengdu Pukang Weixin Biological Technology Co., Ltd. ("Pukang Weixin").

Pukang Weixin is a biological enterprise professionally engaged in the long-term modification of polypeptide drugs. It focuses on the R&D, production and sale of the side chain and monodisperse PEG of polypeptide drugs and their derivatives and is a key side chain supplier of home-made semaglutide and tirzepatide (including generic drugs and innovative drugs).

◇ Serving Communication Activities on Real Economies

The Company actively conducts communication activities with peers, investment institutions, enterprises and other relevant parties on serving real economies to discuss and explore the orientation and methods for serving real economies and promote the efficient fulfillment of responsibilities on serving real economies.

Participating in Economic Forum on Serving Real Economies

As one of the sponsors of the event, Huatai United Securities held the “Forum on the Connectivity of Intelligent Manufacturing Industries” in Suzhou Industrial Park. The management committee of the park, the enterprise service center, leaders of investment entities as well as representatives from nearly 70 advanced manufacturing enterprises and 20 investment institutions attended the event. Huatai Purple Gold and Huatai Securities Research Institute also participate in the activities.



Huatai Innovative Investment participated in the “Anyong · 2023 Industry Future Summit” hosted by 36Kr. Communications and discussions on eight industries, namely advanced manufacturing, new-generation information technology, semiconductor and integrated circuit, new energy, aerospace, new materials, healthcare and big consumption, were carried out. Representatives from venture capitals, industrial capitals, government-related funds participated in the summit and discussed on the trends of industrial investments and the orientation of serving real economies.

2.2 Facilitating Regional Coordinated Development

The integrated development of the Yangtze River Delta is of significance in leading the high-quality development in China, improving the layout on reforming and opening-up and facilitating strong growth with vitality. The Company responds to key national strategies on regional coordinated development and fully leverages on its professional financial advantages to assist in the regional coordinated development of the Yangtze River Delta.

Pumped Storage Power Generation Project

In November 2023, the issuance of the corporate bonds (tranche 2) (the integrated development of the Yangtze River Delta) of Jiangsu Guoxin Investment Group Limited for professional investors in 2023 by way of book building was successfully completed with Huatai United Securities as the lead underwriter. Proceeds from the issuance of corporate bonds after deducting the issuance fees are proposed to be used in capital contributions to Jiangsu Guoxin Group (Ningguo) Pumped Storage Power Generation Co., Ltd. and the capital increase in CNNC Liaoning Nuclear Power Co., Ltd. and CNNC Suneng Nuclear Power Co., Ltd., two participating subsidiaries. To implement the strategy on the national strategy on the integrated development of the Yangtze River Delta, speed up in cooperation on key energy projects in Jiangsu and Anhui and further improve the energy security guarantee capability and mutual assistance between the two provinces and in the principle of “complementing each other’s advantages with mutual benefits to achieve common development”, Jiangsu Development and Reform Commission and Anhui Development and Reform Commission entered into a strategic cooperation agreement. Pursuant to the agreement, the issuer and Xuancheng Wanneng State-owned New Energy Investment Co., Ltd. established Jiangsu Guoxin Group (Ningguo) Pumped Storage Power Generation Co., Ltd. with the issuer as the controlling shareholder holding 51% interests. The development of the pumped storage power generation project in Longtan, Ningguo, Anhui by the parties will facilitate the high-quality energy development in Jiangsu and Anhui and enhance the fundamental energy guarantee capabilities and mutual assistance in energy security, which is in line with the key national strategy on the integrated development of the Yangtze River Delta.

2.3 Promoting Higher-standard Opening-up

The Company vigorously supports the strategy on higher-standard opening-up, participates in the joint construction under the “Belt and Road” initiatives and expands regional cooperation with a broad horizon. It develops international businesses to enhance the influence in international markets. It connects domestic and overseas capital markets and assists domestic companies in conducting overseas financing and other activities.

◇ Carrying out International Business Overseas

Adhering to the international development concept of “upholding fundamental principles and breaking new ground and connecting the south and north”, the Company develops the intermediary business in the capital market, expands the participation in mainstream international markets and vigorously promoted the construction of a modern cross-border capital market with Chinese characteristics. The Company has edged into in the Hong Kong and London markets through the issuance of H shares and GDRs, acquired AssetMark in the USA, established a subsidiary in the USA and obtained various overseas business licenses, continuously expanding the participation in mainstream international markets and increasingly enhancing its influence in the international market.

◇ Supporting the Construction under the “Belt and Road” Initiatives

The Company actively responds to and supports the “Belt and Road” initiatives and makes its contributions to national and regional development with an open and inclusive mind.

Huatai Asset Management Facilitates High-quality Development of Enterprises in the Construction under the “Belt and Road” Initiatives

Huatai Asset Management assisted the issuance of special asset-backed programs on high-end manufacturing industry by Sany Heavy Industry, Zhenhua Heavy Industries, CSCEC Xinjiang Construction & Engineering and other heavy manufacturing enterprises. The above measures further facilitate key enterprises, enterprises in the construction under the “Belt and Road” initiatives in particular, to adjust industrial structures and transform business models, providing effective assistance in further expanding financing channels, vitalizing inventory assets, improving the capital use efficiency and optimizing the asset-liability structure and injecting new vitality to their high-quality development. In 2023, Huatai Asset Management issued a total of 3 asset securitization products in the service and manufacturing industries with an issuance scale of RMB3,240 million.

◇ Assisting Domestic Customers to “Go Global”

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

Assisting the IPO of Sino-Synergy on the Main Board in Hong Kong

Sino-Synergy is a leading technology-based hydrogen fuel cell company in China focusing on research, development, production and sales of hydrogen fuel stacks and hydrogen fuel cell systems. Through continued technological innovations and product iterations, it contributed to the transformation of the hydrogen fuel cell industry as well as the development and commercialization of the hydrogen energy technologies in China.

On December 5, 2023, Sino-Synergy was successfully listed on the Main Board of the Hong Kong Stock Exchange. The global offering of Sino-Synergy was priced at HK\$19.66 per share and a total of approximately 79,000,000 shares were issued with proceeds of HK\$1,563 million. It is the largest project in the clean energy technology sector and the largest project with sole sponsorship in the H-share market since 2023. Huatai International acted as the sole sponsor, the overall coordinator, the sole global coordinator, the joint bookrunner and the joint lead manager, fully demonstrating Huatai International’s professional service capability in the new energy sector.



Assisting Hangke Technology in Issuing and Listing of GDRs on SIX Swiss Exchange

After more than 30 years of professional, dedicated and continuous innovation, Hangke Technology has built an operation and service network towards the whole world and provides customers with overall solutions to post-processing systems of lithium batteries. Through over 20 years of in-depth exploration and dedicated and continuous innovation in the global and Chinese lithium battery equipment market with rapid development, Hangke Technology has become a world-leading manufacturer of equipment for post-processing systems of lithium batteries.

On February 22, 2023, Hangke Technology successfully issued GDRs and was listed on the SIX Swiss Exchange. Approximately 13,000,000 GDRs are issued at an issuance price of US\$13.69 per GDR with proceeds of US\$173 million. It is the first GDR program on the STAR Market. Huatai International acted as the joint representative, the joint global coordinator and the joint bookrunner. It fully leveraged on its rich practical experience in the STAR Market and GDRs, innovatively completed the application of the first GDR issuance project of STAR Market.

2.4 Supporting the “Healthy China” Strategy

To promote the “Healthy China” strategy, Huatai Securities supports Health Communication Institute of Fudan University and HealthInsight in the joint research and formulation of the resident health consumption index. Through the exploration in big data on consumption, it measures the impacts of different consumption residents in different areas on their health and makes up for the deficiency in the sample data and slow update of traditional surveys on health behaviors to comprehensively understand the changes in residents’ health behaviors in a timely manner and provide reference to the improvement of the health of all residents and the benign development of relevant industries.



◆ Huatai Securities and Health Communication Institute of Fudan University held the “Seminar on Resident Health Consumption Index and Development of Industrial Investments in 2023” in Beijing. It discussed and explored the development trend of health consumption from demand, supply, industry, investment and other dimensions to jointly promote industrial upgrading and facilitate the construction of a “Healthy China”.

2.5 Supporting Infrastructure Construction

Infrastructure construction is a fundamental, pioneering, strategic and leading industry in national economy. The Company attaches importance to supporting infrastructure construction and makes its contributions to the economic development.

REITs with the Theme of “Smart City”

In December 2023, the issuance of “Huatai-CCCC Investment-CCCC Wealth Center Special Asset-backed Programs on Smart City” by way of book building was successfully completed with an issuance scale of RMB1,320 million, of which, the scale of the priority is RMB1,200 million, with a rating of AAA. It is the first REITs with the theme of “smart city” in the market serving the “big city” strategy of CCCC Investment and the first corporate REITs for holding within the system of CCCC. Huatai United Securities acted as the financial advisor of the program while Huatai Asset Management acted as the manager of the program. With the focus on the demands of real economies, it serves real economies through financial innovation and is an important measure of CCCC Investment in vitalizing its inventory assets, expanding investment channels for external capitals and improving the infrastructure operation. Meanwhile, it is the first quasi-REITs issued by CCCC Investment after the CAMC-CCCC Expressway REIT, the first expressway public REITs of state-owned enterprises.

Promoting Green Development through Innovation

◆ Performance Highlights in 2023:

In 2023, the Company was officially approved by the CSRC and became one of the eight securities companies approved for proprietary participation in carbon emissions trading in domestic legal markets.



Total green bonds underwritten by the company

51



Underwriting scale

27,540 million



Huatai Asset Management issued assets securitization (ABS) products

4



Issue scale

5,649 million

Huatai Securities integrates the green development concept into its management and operation, actively responds to climate change and strives to protect biodiversity. It practices green operation, develops green finance and promotes the harmonious coexistence of humankind and nature.

3.1 Responding to Climate Change

The Company attaches importance to identifying and responding to challenges and opportunities brought about by climate change. Based on the requirements of the International Financial Reporting Standards S2 Climate-related Disclosures (IFRS S2) issued by the International Sustainability Standards Board (ISSB), the Company identifies and manages climate-related risks and opportunities in the operation.



◇ Climate Change Management System

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

Metrics and targets

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

- The Company implementing various energy conservation and emission reduction measures such as adopting renewable energy sources, promoting recycling, reducing paper consumption and advocating green and low-carbon travel, so as to reduce energy consumption and carbon emissions.

The Company conducts statistics and analysis of total carbon emissions and energy consumption and intensity to assess the management on climate change issue and accordingly formulate improvement scheme to promote energy conservation and emission reduction

- With taking 2021 as the base year, the Company has set carbon emission and energy management targets, and will track and report on the progress of such targets on an annual basis.

◇ Identification, Evaluation and Analysis of and Response to Climate-related Risks and Opportunities

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

Management Approach of Climate-related Risks and Opportunities

Identification

- According to the unified climate change-related information disclosure framework developed by TCFD, 6 climate-related risks and 5 climate-related opportunities were identified

Evaluation

- Based on the Company's business and strategy, combined with expert opinions to evaluate climate-related risks and opportunities

Management

- Construct a climate-related risk and opportunity matrix based on the assessment results, analyze relevant risk factors and manage them with implementing corresponding measures

Climate Risk Management

In July 2023, the Securities Association of China released the new version of the Securities Companies Stress Testing Guidelines. The Company carried out self-examination on stress tests and initiated the revision of the Company’s guiding systems on stress tests based on the new guidelines. Meanwhile, the Company organized two comprehensive stress tests under internal scenarios with customized pressures at the levels of the parent company and the Group and the annual comprehensive stress test under the scenario with given pressures from the Securities Association of China at the level of the parent company. Based on the results of relevant stress tests, it conducted forward-looking evaluation on the risk exposure of all businesses to provide support for decision-making by the management.

Considering the climate factor in the risk management practice, the Company has incorporated relevant factors on climate change into the business management and control process. It sets the indicator of “energy saving, emission reduction and climate change” at the level of “environment and sustainable development” in the ESG due diligence systems for clients and considers clients’ actions in reducing resources consumption, pollutants and the emission of greenhouse gas to understand possible risks of clients on climate change.

Climate-related Risks and Opportunities Matrix

Climate-related Risks and Opportunities Matrix



Climate-related risks ● Physical risk ● Transition risk Climate-related opportunities ● Opportunities

◇ Climate-related Risks and Analysis of the Financial Impact

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

◇ Analysis of Potential Financial Impact of Climate-related Opportunities

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



Participating in Carbon Emissions Trading

In January 2023, the Company was officially approved by the CSRC and became one of the eight securities companies approved for proprietary participation in carbon emissions trading in domestic markets. The Company actively responded to national strategies on carbon peaking and carbon neutrality, vigorously developed the carbon trading and carbon financial service systems, established the proprietary investment and trading management platform for carbon emissions and successfully launched the carbon emissions investment and trading segment on the FICC Elephant Trading Platform (FICC 大象交易平台), achieving full-process and online management of carbon trading and empowering the steady progress of the carbon financial business.

In May 2023, the Company launched the first carbon allowances and CCER trading in China and reached its first repurchase transaction on carbon assets subsequently. In August 2023, it actively participated in the first National Carbon Market Simulated Trading Contest hosted by Shanghai Environment and Energy Exchange and was awarded the prize for "Unit with Outstanding Trading Performance", getting fully prepared for participating in the national carbon market, improving the market liquidity and serving the price discovery function of carbon assets in the next stage.

As at the end of 2023, the Company has carried out carbon allowances and CCER trading in five regional carbon markets in Shanghai, Guangdong, Beijing, Shenzhen and Hubei. It actively participates in the trading of performance period in regional carbon markets, boosts the improvement of market liquidity and facilitates enterprises with carbon emission controls in completing the performance of carbon emissions through trading services in the carbon market.



Huatai Financial Holdings (Hong Kong) Participates in Carbon Market

- It actively leveraged on its professional strength in green finance and carbon market, completed the first carbon credit matching trading with 1,000 tons in 2023 on the CORE platform of the HKEx for carbon assets and continuously promoted carbon credit trading to improve the sustainable development capability and the image of the company in fulfilling social responsibilities.
- It facilitated researches on the development of the cross-border carbon trading mechanism, the optimization of the carbon trading membership system and relevant clearing and settlement arrangements.

3.2 Development of Green Finance

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

◇ Innovation in Green Financial Products

Green financial products are important products of financial institutions in serving the green development of real economies. The Company continuously develops green financial products with differentiated competitive advantages. Driven by green finance, it promotes the development and innovation of products and continuously serves the demand of customers for green financial products.

In 2023, the Company displayed the FICC investment trading and product innovation capabilities and continuously diversified the subjects linked with products. It launched various financial products linked with green financial subjects and continuously advanced the innovation of ETFs, green bonds, bond indexes and other products to serve the green and high-quality development of real economies. The Company completed over 20 OTC option tradings linked with green financial subjects and the subjects included photovoltaic ETFs, new energy vehicle ETFs and 22 Guo Kai Lv Zhai 01 Qing Fa. It issued income receipts linked with green financial subjects and the subjects included carbon neutrality ETFs.

Green ABS Products

Huatai Asset Management actively practices strategies on carbon peaking and carbon neutrality, innovates green asset securitization products and implements the ESG concept in assets. It launched the first blue asset-backed securities, the first carbon neutrality ABS, the first environmental protection ABS on solid waste treatment, the first green ABS in the hydropower industry, the first exchange-traded ABS on energy vehicle subsidies as well as the first green ABS programs in various industries in China. As at the end of 2023, a total of 23 green ABS products (including 1 blue ABS product) have been issued with a total scale of RMB28.8 billion. Among them, Huatai Asset Management issued a total of 4 green asset-backed securitization (ABS) products in 2023 with an issuance scale of RMB5,649 million.

As at the end of 2023



Cumulative issuance of green ABS products (including 1 blue ABS product)

23 orders



Cumulative scale

28.8 billion

Green Bonds

Huatai Securities continuously expands the green bond business and supports the development of green industry projects.



In 2023, the Company underwrote green bonds

51



Underwriting scale of

27,540 million



In 2023, the Company invested green bonds

17



Scale

740 million



In 2023, the Company invested carbon neutrality bonds

3



Scale

150 million

◇ Researches and Communications

The Company focuses on researches on green finance and actively participates in communications and seminars in the industry. In 2023, the Company released various research reports on carbon peaking and carbon neutrality, green and sustainable development and other topics, covering computer, communications, construction projects and other industries.

Research Reports on Carbon Peaking and Carbon Neutrality, Green and Sustainable Development and other Topics Issued in 2023

Special Research

“Communication: New Industrialization Speeds up and Opportunities in the Industries”

“Strategy: Strategic Drivers and Tactical Opportunities of New Industrialization”

“Environmental Protection: Great Potential in Circular Economy under Carbon Peaking and Carbon Neutrality Targets”

“Construction and Engineering: Full Review on Belt and Road Initiatives: Market”

“Construction and Engineering: Full Review on Belt and Road Initiatives: Companies”

In-depth Research

“Transport/Internet: Achieving Steady and Long-term Development and Exploring Belt and Road Initiatives”

Trend Review

“Computer: Development Opportunities for Industrial Hardware and Software under New Industrialization”

Customized Research

“Construction and Engineering/Building Materials: Development Prospects and Outlook on Industrial Chains of Green Construction under the Background of “Carbon Neutrality””

3.3 Practicing Green Operation

In compliance with the laws and regulations and policy requirements and in response to the calls on comprehensively enhancing ecological conservation, the Company pays attention to the impacts of its own operation and development on the environment and society, released and implemented the Environmental and Social Management Statement of Huatai Securities Co., Ltd., integrates the concept of green and low-carbon development into the whole process of routine operation and management, in bid to minimize the impact of its operating activities on the environment. During the Reporting Period, there were no confirmed violations related to environmental protection that had a material impact on the Company. In 2023, there were no confirmed violations related to environmental protection that had a material impact on the Company.

◇ Green Office

The Company responds to the national call on “carbon peak and carbon neutrality”. Through saving resources and energy, reducing greenhouse gas emissions and reasonably handling wastes, the Company strives to achieve green office and reduces the carbon footprint of its operations.

Enhancing Emissions Management

The Company consumes resources and energy and discharges carbon mainly for office-related activities in operation, involving energy such as electricity, natural gas, petrol used for company owned vehicles and diesel used for diesel generators.

The Company implemented various energy conservation and emission reduction measures such as adopting renewable energy sources, building low-carbon data centers, applying light-guided lighting system, developing green building, and practicing green and low-carbon travel, so as to promote green office. The Company conducts statistics and analysis of total carbon emissions and energy consumption and intensity to assess the management on climate change issue and accordingly formulate improvement scheme to promote energy conservation and emission reduction.

Carbon Emission and Energy Management Targets



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



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

Carbon Emission and Energy Management Measures

Major methods	Specific measures
<p>Adopting clean energy</p>	<ul style="list-style-type: none"> • Implemented the use of clean energy through the adoption of solar light induction lighting devices and systems and other measures in operation in office areas. • The Company is equipped with photovoltaic power generation systems at its headquarters, saving 87,927 kWh of electricity in 2023 with photovoltaic power generation systems.
<p>Promoting energy saving and emission reduction</p>	<ul style="list-style-type: none"> • Continuously promoted energy saving and consumption reduction, completed the optimization and renovation of the energy management system, realized regular analysis of energy consumption and further enhanced control on energy consumption. • Adopted ice storage technology, floor air supply system and other technologies for the air-conditioning system to give full play to the energy-saving benefits of air supply at low temperature. • Adopted solar light induction lighting devices and systems, intelligent lighting control and low energy consumption LED lighting in office areas to save power consumption in office lighting. • Used video meeting systems to reduce the number of on-site meetings and carbon emissions from business travel. • Practiced the concept of garden office, expanded the area of greenery planting, followed the concept of green, novelty and environmental protection and adopted new construction materials. • Adopted new construction materials in decoration and renovation to achieve the integration of environmental protection and buildings. For curtain walls, interior furnishings and landscapes, it followed green, innovative and environmental concepts.
<p>Advocating green travel</p>	<ul style="list-style-type: none"> • Formulated relevant documents such as the Administrative Rules for Motor Vehicles and clearly specified that new energy vehicles shall be given priority when purchasing vehicles for corporate affairs and operation of the Company. • Encouraged employees to use public transportation in their daily commuting and business travel.
<p>Low-carbon data center</p>	<ul style="list-style-type: none"> • Built a low-carbon data center through measures such as improving the heat dissipation efficiency of equipment and renovating air-conditioning rooms for light and heat insulation.

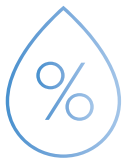
Major methods	Specific measures
<p>Low-carbon data center</p>	<ul style="list-style-type: none"> • Huatai Securities Square received the LEED-NC Gold Certification issued by the United States Green Building Council (USGBC), demonstrating the recognition for its resource and energy use efficiency.
<p>Strengthening emergency management</p>	<ul style="list-style-type: none"> • Established relatively complete emergency management measures, implemented a 24-hour duty and accident information reporting system for security personnel, and prepared emergency equipment to effectively reduce the impact of extreme weather on company operations.

Enhancing the Efficient Use of Resources and Energy

The Company continuously optimizes and upgrades the energy management system to practice the orientation of the green development concept and promote energy saving and consumption reduction, achieving regular analysis on energy consumption and further boosting efforts in improving energy consumption management and control. The Company deeply analyzes the data on the operation and maintenance of the square, fully displays the professional expertise of equipment and facilities suppliers of the square and explores the model of energy-saving operation to increasingly improve the technical capability on the green operation and maintenance of facilities and equipment.

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

Water and Waste Management Targets



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



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

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

Water Resources Management Measures

Major methods	Specific measures
<p>Advocating water saving</p>	<ul style="list-style-type: none"> Publicized the concept and practice of water saving by posting water saving posters in prominent office areas and playing water saving publicity videos on a loop in elevator lobbies.
<p>Practicing scientific water use</p>	<ul style="list-style-type: none"> Entrusted a service provider to conduct the “water balance test” on Huatai Securities Square. Through the water balance test, it can understand the water supply from sources and the current use of water, correctly appraise the water use, explore the potential in water saving, specify the orientation of water management and provide basis for further adopting water-saving technological measures and formulating water-saving plans. Adopted water-saving sanitary ware to reduce water consumption. Made full use of the rainwater recovery system by collecting rainwater in the rainy season, and irrigating plants in the dry season. Conducted regular maintenance on water equipment to prevent evaporating, emitting, dripping, and leaking.

Material consumption of the Company mainly includes paper consumption by contracts, bills, documents and other paper materials during office work. Currently, the Company has fully realized the whole process of online and standardized procurement of office supplies and promotional items from procurement to centralized settlement and payment through the coordinated operation of multiple systems including procurement, contracts and payment, significantly reducing the use of paper materials in the whole process. It further strengthens the management of visitors and achieves the new paperless and intelligent visitor management. Through the replacement of paper registration with systematic registration, the replacement of systematic verification with human verification and the replacement of human gate opening with autonomous code scanning, it significantly reduces labor and environmental costs and improves the efficiency in visitor management.

Electronic Signature Management Platform

Through the development of unified electronic signing services, the platform offers convenient and efficient online signing services for various businesses of the Company. In 2023, it supported the online signing of letters of confirmation on the trading of derivatives, agreements on the granting of equity incentives, official contracts on research services and other businesses. In 2023, a total of over 350,000 documents were signed internally and externally, over 110,000 of which were signed with external institutional customers. Approximately 240,000 documents were signed within the Company, over 60,000 of which were signed automatically, accounting for 28% of total internal documents. So far, over 520 external institutional customers were connected to the electronic signature management platform. In 2023, the Company saved over **5** million pieces of paper through the online signing services of the electronic signature management platform.

Reducing Pollution

For the decoration and renovation of business buildings of the Company, it takes measures such as setting the shortest decoration intervals (decoration and renovation are not allowed for those not exceeding the shortest decoration intervals except under special circumstances) and improving the quality of decoration and renovation projects to extend the life of decoration for business buildings, reduce the frequency of decoration and minimize pollution from decoration and renovation. It significantly reduces the use of paint and other decoration materials and adopts environmental and paint-free materials instead. Panel furniture is widely adopted for office and it generally eliminates the use of paint furniture. Greater efforts are made in aerial detection and governance after decoration to improve the air quality in the office environment so as to create a safe and comfortable office environment for employees.

Green Procurement

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

Waste Management

In daily work, the Company mainly produces hazardous wastes including electronics waste, toners and cartridges, and non-hazardous wastes including wastewater generated from office work and service provision. The Company is devoted to reasonably handling waste and emissions and practicing the green and environmental-friendly concept.

Waste Management Measures

Major methods	Specific measures
<p>Waste management and utilization</p>	<ul style="list-style-type: none"> • Disposed waste by upholding the concept of “waste recycling and value innovation”, encouraged the reuse of waste materials and entrusted qualified units for the recycling and treatment of non-hazardous and hazardous wastes and wastewater. • Discharged office wastewater into the municipal sewage pipeline; transported the wastewater to the municipal wastewater treatment plant; required the property management center to clear and transported office waste; electronic waste, daylight fluorescent light tubes, toners, cartridges and other hazardous waste entrusted to qualified units for recycling, disposal or reuse by the recycling party. • Evaluated the usage of discarded office devices, optimized the allocation of fixed asset resources and improved the utilization rate of existing assets. • Actively promoted the recycling of old office furniture and vigorously advanced the recycling of old items in the Securities Business Department at East 3rd Ring Road in Beijing and the new Securities Business Department of the AIIIB. • Optimized the allocation of fixed asset resources, improved the asset utilization ratio of existing assets and avoided idleness and waste. During the year, the Company transferred a total of 2,077 equipment, saving fees of RMB20.05 million (original total value).
<p>Waste sorting management</p>	<ul style="list-style-type: none"> • Arranged areas for waste sorting on each floor in response to the Administrative Regulations of Nanjing on Household Waste. • Publicized the concept and practice of waste sorting to employees by posting posters of waste sorting in prominent positions in public places and playing waste sorting videos on a loop in elevator lobbies to create an atmosphere of “everyone participating in waste sorting” and develop a good habit of active sorting and dumping. • Required the property management center to clear and transported office waste; electronic waste, daylight fluorescent light tubes, toners, cartridges and other hazardous waste entrusted to qualified units for recycling, disposal or reuse by the recycling party.

◇ Green Data Center

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

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

◇ Green and Environmental Protection Activities

The Company vigorously publicizes energy-saving and low-carbon knowledge through pasting energy-saving posters and publicity banners in office areas of the headquarters and all branches and loop playback of publicity videos on electronic screens. Through pasting reminders such as "saving every drop of water" at water taps, "reducing lighting and saving electricity" at switches of lights and "double-sided printing" at printers, it guides employees to participate in saving activities, publicizes the concept and awareness of ecological conservation and green development and further enhances employees' energy-saving and low-carbon awareness to create a social atmosphere of saving and reasonable use of energy.



◆ Posters of "Working Together in Energy Saving and Carbon Reductions"

3.4 Protecting Biodiversity

Under the "Kunming-Montreal Global Biodiversity Framework" reached at the 15th meeting of the UN Conference of the Parties to the Convention on Biological Diversity (CBD COP15), it is an important part to promote cooperation in various industries and facilitate the mainstream on biodiversity. In combination of the business strengths and the features of public welfare programs, Huatai Securities leads employees, customers, partners, the public and other groups to widely understand and participate in the protection of biodiversity. It also offers support to the growth of talents in ecological protection and injects vitality into the protection cause.

"Independent Commitments by Non-State Actors"

The "Independent Commitments by Non-State Actors" of Huatai Securities with the theme of "One Yangtze River One World" was officially included in the database of the United Nations CBD "Action Agenda". In 2023, Huatai Securities kept the commitments, continued to increase its capital investment to carry out relevant programs and promoted the mainstream of biodiversity, demonstrating the undertakings of the securities industry in China.

"Independent Commitments by Non-State Actors"

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

Business Guidelines on Protecting Biodiversity

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

Supporting Local Protection

Through the “One Commonweal Heart of Huatai One Yangtze River” program, the Company cooperates with Shan Shui Nature Conservation Center, the SEE Foundation and other ESG partners to support relevant local protection, respond to climate change and protect biodiversity. It also facilitates the development of communities surrounding national parks and other conservation areas through nature-based solutions.

Community Protection Programs in the Three-River-Source National Park

Under the support of the Three-River-Source National Park Administration and the government departments of Yushu prefecture, Huatai Securities, Peking University Center for Nature and Society and the Shan Shui Nature Conservation Center jointly carried out species monitoring and community protection with herdsmen as the main participants in the three-river-source areas with rich biodiversity and fragile ecosystems. It aims to assist the herdsmen who live on animal husbandry to respond to climate change, grassland degeneration, human-animal conflicts and other outstanding problems and achieve the long-term and sustainable development of communities amid the harmonious co-existence of human beings and nature. The community conservation areas constructed under the support of the program reached 4,000 square kilometers. It accumulated fundamental data for the study and protection of wild animals in the source areas of the Yangtze River through the monitoring network with more than 400 infrared cameras.



◆ Handcrafts made of yakwool by local women in Jiatang Community (supplied by the Shan Shui Nature Conservation Center)

The program supported the trainings on over 200 “herdsmen monitors” in 10 local communities, participated in the monitoring on data collection, species protection and grassland restoration in the whole process, improving the protection and increasing the income of local herdsmen. Through the development

of high-quality ecological tourism products, herdsmen can also increase their income from the protection. To create diversified sources of revenue and improve the adaptability of local women to climate change, Huatai Securities established the women handcraft group in Jiatang Community under the support of its partners. With yakwool from pastoral areas as the raw material, local women produce handcrafts.

“Our Lancang”, an Integrated Program on Rural Revitalization and Ecological Protection

In Lancang County, Yunnan Province, Huatai Securities and Huatai Futures initiated the surveys on biodiversity through Huatai Foundation to fill the blankness of surveys and explore effective approaches to forest protection with various benefits. Meanwhile, they rely on the public to rapidly learn about local bird resources through bird-seeing festivals and work with local communities and external forces to carry out protection together. It promoted the development of the bird-seeing tourism industry and explored the path of sustainable development with ecological resources as the core.

The first bird-seeing festival in Lancang, Yunnan was successfully in areas surrounding the Nuozhadu provincial natural reserve. In the event with a total of 60 hours in 3 days, 10 teams from various provinces recorded a total of 231 bird species, accounting for 42.9% of total bird species in Pu’er areas. 45 bird species were newly recorded in Nuozhadu areas. Through the bird-seeing festival, it further reviewed the bird resources in Nuozhadu areas and the survey data in bird samples will also improve the monitoring and management for scientific research in the reserve areas. In addition, the bird-seeing festival increased the income of local residents by approximately RMB13,000 and allowed more bird-seeing enthusiasts to enter Lancang, further enhancing the reputation of the area among bird-seeing enthusiasts.



◆ Participants look for birds with telescope at Lancang bird-seeing festival (supplied by the Shan Shui Nature Conservation Center)

“One Yangtze River from Snow Mountain to Ocean” Released with Multi-dimensional Depiction of all Basins of the Yangtze River

The new book “One Yangtze River from Snow Mountain to Ocean” was officially released in Nanjing at the second anniversary of the legislation of the Law on the Protection of the Yangtze River. The book offers an overall and panoramic depiction of all basins of the Yangtze River from various dimensions with vivid pictures and words. It provides an all-round display of the habitat, biology and life in each area with cases of people’s protection of the beautiful areas. The protection of snow leopards, Eurasian otters, Aythya baeri and other representative species under the “One Yangtze River” program were displayed vividly.



◆ Release of “One Yangtze River from Snow Mountain to Ocean” in Nanjing

“From the City to the Wilds: Biodiversity Theme Exhibition” Completes Itinerant Exhibition in the Yangtze River Delta

Huatai Securities and the Beijing Society of Entrepreneurs & Ecology Foundation (the SEE Foundation) held the “From the City to the Wilds: Biodiversity Theme Exhibition” in Nanjing and Hangzhou after the event in Shanghai. It shows the positive results in the integrated development of the Yangtze River Delta from the perspective of protecting biodiversity and demonstrates the efforts of urban residents, scientific research staff and protection organizations in protecting biodiversity and interesting stories.

18 expert sharing activities, 6 natural fairs and 1 young reporter tour guiding were held in three stops, attracting over 30,000 offline participants and 300,000 online views. Xinhua News Agency, Guangming Daily, and other media reported the activities. Public welfare publicity was conducted at Shanghai Natural History Museum Metro Station, Hangzhou Xixi Incity, Jinsha Impression City, Longhu Jiangdong Street, Mo Mall and other business areas.



◆ Volunteers of Huatai Securities provide exhibition guiding services

Public Publicity on Biodiversity

The Company carries out the publicity of ecological and environmental protection and conveys the importance and relevant knowledge on biodiversity to the society. In October 2013, with the guidance of the Jiangsu Committee of the Chinese Communist Youth League, Huatai Securities and the Chinese Communist Youth League Committee of Nanjing University of Posts and Telecommunications held the lecturing on volunteer services in environmental protection by college students under the “One Yangtze River” program with the theme of “facilitating green development with the force of the youth”. It reviewed the results of the “Streamlet Action - One Yangtze River Subsidy Scheme on Environmental Protection Activities by College Students” in 2022-2023, displayed outstanding practice of college volunteer service groups in environmental protection. Nearly 400 teachers and students from more than 20 colleges in Jiangsu such as Nanjing University, Southeast University and Nanjing University of Aeronautics and Astronautics have participated in the event.

Effectively Fulfilling Social Responsibility

Performance Highlights in 2023:



Huatai Securities underwrote rural revitalization bonds in the industry

5.66



Ranking

first in the industry



Underwriting scale

3.085 billion



Ranking

first in the industry



The amount of public welfare donation

44.57 million

Huatai Securities has been actively fulfilling its social responsibility and deeply engaged in the fields of rural revitalization, education and medical care, ecological protection and other fields. The “One Commonweal Heart of Huatai” public welfare brand is gaining popularity. In 2023, the Company was enabled to bring together the strength of more partners and create further social sharing value through Huatai Foundation.

4.1 Supporting Rural Revitalization

The Company insists on the party building to lead rural revitalization, establishing and improving the special working mechanism under the leadership of the Party Committee. Moreover, it insists on the selection of young backbone staff with good political quality, strong working ability, commitment and responsibility as the assistance team members and serving as the “first secretary” in the village. It also insists on the positioning of financial services for the real economy, building a whole business chain with the concept of “One Huatai” (一個華泰), and integrating the Company’s strengths to provide comprehensive financial services for the assistance areas. Therefore, the Company has solidly pushed forward to the work of effective linkage between the consolidation and expansion of the poverty alleviation achievement and rural revitalization, and has strived to explore new paths and methods for assistance

work in the new era to create a mode of assistance work with industry characteristics and outstanding effects, and to devote our efforts to serve the national strategy of rural revitalization.



◇ Finance Empowerment for Rural Revitalization

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

Innovating Financial Service Model to Help Stable Development of Agricultural Industry

In 2023, Huatai Securities acted as the lead underwriter of a total of 5.66 rural revitalization bonds, with an underwriting scale of RMB3.085 billion, ranking first in the industry.

Rural Revitalization Practice of Huatai Futures

Huatai Futures formulated the "Huatai Futures 2023-2024 Rural Revitalization Work Plan", whereby it coordinated the parent company, subsidiaries, and relevant departments to enter the front lines of rural areas and, in the forms of industrial assistance, education assistance, consumption assistance, professional knowledge assistance and caring donations, fully promoted the national strategy of rural revitalization with practical results, demonstrating the role of it as a state-owned enterprise.

In 2023, Huatai Futures once again joined hands with Huatai Foundation to invest RMB300,000 for biodiversity protection. At the same time, Huatai Futures actively

carried out co-building activities with grassroots party organizations, launched volunteer activities at the Hope Primary School in Menglang Town, and called on employees to donate to students in difficulties, raising more than RMB70,000.



◆ Party member and league member representatives of Huatai Futures carried out the volunteer activity of “One Commonweal Heart of Huatai One Tomorrow” at Central Primary School in Menglang Town

Successful Establishment of "Huatai - Financial Investment Leasing Special Asset-backed Plan (Rural Revitalization) Tranche 2"

In response to the national call for revitalizing agricultural facilities and assets through asset securitization, the Company expands innovative financial funding methods for rural revitalization, enriches the supply of rural revitalization bond products in the capital market, and provides investors with diversified and high-quality investment tools. The "Huatai - Financial Investment Leasing Special Asset-backed Plan (Rural Revitalization) Tranche 2" was successfully established, with Huatai United Securities as the financial advisor and Huatai Asset Management as the plan manager. This is the first securitization product of rural revitalization assets in Zhejiang Province. The amount of the assets selected for the program related to the rural revitalization exceeds 70% of the total issuance size. The financial lease payments granted by the original equity holders to the lessees can be effectively used for the development of modern agricultural industrial parks, promoting rural construction, and assisting rural revitalization.

Assistance Activities

In order to promote effective linkage between the consolidation and expansion of the poverty alleviation achievement and rural revitalization, and continue to help the development of poverty-stricken areas, Huatai United Securities, together with the China Foundation for Rural Development, launched the 2023 Rural Revitalization Trip to explore development strategies for county industries, witnessing the results of poverty alleviation and the new picture of rural revitalization. Previously, some employees of Huatai United Securities went to Susong County, Anhui Province for investigation in 2020, and carried out key assistance work with the detoxified sweet potato industry as the starting point. After three years of development, the government has mobilized RMB**120,000** in incentives and subsidies for industry development, cultivated **13** local management individuals, and built **1,200** acres of high-standard bases, which benefited **1,439** growers, and helped the cooperatives sell agricultural products in the amount of RMB**17.06** million, with a cumulative dividend of RMB**1.1953** million, achieving an increase in average household income of RMB**9,500**. It is the unshirkable responsibility of enterprises to serve national strategies and local economic and social development, and the efforts of enterprises is indispensable to the road towards rural revitalization. Huatai Securities will continue to assume a high degree of responsibility, release new momentum for rural development, and draw a new picture of rural revitalization.

4.2 Huatai Foundation

Huatai Securities has always adhered to a high sense of social responsibility, relying on Huatai Foundation, pooling resources from various sources, focusing on key areas and exploiting its financial expertise to support the public welfare and charity causes.

“One Commonwealth Heart of Huatai One Tomorrow” Rural Education Program

Since its establishment in 2016, the “One Commonwealth Heart of Huatai One Tomorrow” rural education program has aimed to drive the comprehensive development of children in need and promote educational equity, covering rural schools and children in need in Qinghai, Yunnan, Hubei, Anhui, Jiangsu and other places. It has been dedicated to improving the mental health and overall quality of left-behind children, mobilizing the efforts of various parties to help children in need to continuously improve their living conditions, through quality education, family care, volunteer services and other diversified public welfare models, helping healthy growth of left-behind children.

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



As of the end of 2023, the program has benefited children

93,722



Benefited teachers

11,065

Through the Internet charity platform, it has brought in **122,334** donations amounting to RMB **2.943** million for assisting a total of **913** children in financial difficulties.

Volunteers from Huatai Securities went to project sites in Suqian, Jiangsu and other places to provide volunteer services and visit children in difficulties



Volunteers from Huatai Securities led children to conduct nature education courses



More than 1,600 people, including employees of Huatai Securities, raised funds for children in need at the "One Tomorrow" Charity Run held at the Nanjing Olympic Sports Center



Summer training was held for key teachers in schools for the "One Tomorrow" program



◇ "One Commonweal Heart of Huatai One Yangtze River" Ecological and Environmental Protection Public Welfare Project

In 2018, in response to the national strategy of "Comprehensive Protection of Yangtze River" and the policy initiative of deepening "Collaboration between the Eastern and the Western Regions", Huatai Securities launched the "One Commonweal Heart of Huatai One Yangtze River" project to promote ecological and environmental protection in the Yangtze River Basin. Over the past five years, Huatai Securities has invested more than RMB20 million. The project team with young employees as the backbone has joined forces with universities and social organizations to make continuous investments in biodiversity research and protection, rural ecological revitalization, support for youth talent development, education and practice of ecological civilization among young people and advocacy for green transformation, with significant social benefits.



◆ "Yiqixing Future" (益起星未来) Charity Carnival, which demonstrates the ecological protection achievements of the Company's "One Yangtze River" project from Sanjiangyuan to the estuary in the past five years, and educates employees and the public about key protected wild animals such as finless porpoises, snow leopards and raccoon dogs, conveying to them the ecological conservation concept.

Promoting Rural Ecological Revitalization through Protection based on Community Development

In view of the call for collaboration between the eastern and western regions in China, the Company has actively explored the effective transformation path of the "Two Mountains Theory" in Qinghai, Gansu, Sichuan, Yunnan and other economically underdeveloped rural areas in the western regions, and innovative incubation models for the establishment of the national park system. Through the special fund for environmental protection of "One Yangtze River", the Company supports nature reserves and surrounding communities to safeguard green waters and green mountains, promotes high-quality rural development and coordinated regional development, while protecting rare wild animals such as snow leopards and giant pandas as well as their habitats.

Developing Ecological Industries in Communities Surrounding the Giant Panda National Park

Huatai Securities cooperated with Shan Shui Conservation Center to explore the national park franchise model based on local natural resource endowments, and develop ecological industries with rural characteristics such as tea and honey, as well as natural education and ecological experience project. Under the initiative of "One Yangtze River", Huatai United Securities and Shanghai Stock Exchange Foundation have also provided support for the project.

Starting with honey as an ecological product, on the one hand, the project provides beekeepers with training on advanced breeding methods such as live



◆ Staff volunteers of Huatai Securities upgraded the packaging design for "Panda Forest Honey" (Photo provided by Shan Shui Conservation Center)

frame breeding. On the other hand, it promotes the development of honey plants, water conservation activities and nature education in the village, which are closely related to beekeeping. In the principle of sustainable management during production process, the project produces high-quality nectar from the forest, creating a brand of "Panda Forest Honey". Guanba Honey has obtained the first batch of franchise authorization from the Giant Panda National Park, which not only allows the community to receive "good benefits" from "healthy ecology", but also provides momentum for the community to participate in safeguarding "healthy ecology" and protecting the giant panda habitat. In Liziba Village, the project has helped the cooperative create ecological green tea products with an annual output value of more than RMB12 million; demonstrated the forest-tea composite management model on a trial basis by planting more than 3,500 plum saplings, and supported the establishment of Liziba Nature Education Center in the Bikou Ecological Experience Community of the Giant Panda National Park.

Facilitating Biodiversity as a Mainstream through Extensive Mobilization

Huatai Securities focuses on combining project characteristics to mobilize employees, customers, partners, the public and other wide range of groups to understand and participate in biodiversity conservation, while providing support for the growth of ecological conservation talents which would inject a perpetual impetus into the conservation cause.

Building a Support System for Young Talents in Ecological and Environmental Protection

Huatai Securities supports the growth of talents at different stages in the environmental protection public welfare industry, including cultivating leading talents with a sense of balance between economic, environmental and social issues, rewarding front-line environmental youth backbones, and funding college students devoted to environmental protection to carry out environmental protection actions in a scientific and rational manner.

Research and Improvement of Talents for Sustainable development - gathering and cultivating youths with balanced development in economics, social and culture as the backbone, building a comprehensive sustainability platform for long-term study, communication and exchange of opinions

The activity was jointly organized by Huatai Foundation, the School of Life Sciences of Peking University and Shan Shui Conservation Center, with a total of **27** participants from scientific research institutions, public welfare organizations, financial institutions and listed companies being selected for the first lesson. With lectures delivered by senior scholars of various subjects such as ecological environment, economics, social and history as well as onsite investigations, the activity provided multidimensional learning and experience for participants.

Little Step Scholarship - "One Yangtze River" Young Movers Support Program to reward and support outstanding young people who are devoted to long-term development in the public welfare field of ecological and environmental protection with certain actual contributions in the frontline and with potentials

Up to 2023, the "Little Step Scholarship" has been carried out in **2** phases, supporting **40** outstanding activists, who have taken root in the public welfare field of environmental

Streamlet Action - "One Yangtze River" Subsidy Scheme on Environmental Protection Activities for College Students to support them carrying out environmental voluntary services

Up to 2023, the "Streamlet Action" has been carried out in **3** phases, supporting the successive implementation of **97** projects from **75** universities. The project covers low carbon and climate change, biodiversity protection, water and air environment protection, environmental restoration, garbage classification and resource recycling, and marine protection, etc.



◆ Zhang Zhaohui, Secretary of the Party Committee of the Youth Volunteer Action Guidance Center of the Central Committee of the Communist Youth League, presented the student representatives in the third phase of "Streamlet Action" with the "One Yangtze River" project themed publications: "One Yangtze River - From Snow Mountains to the Ocean", "Natural Illustrations of Sanjiangyuan National Park" and cultural and creative products designed with snow leopard as the prototype



Safeguarding Product Service Responsibility

Performance Highlights in 2023:

- In 2023, the Company issued the Regulations on Data Lifecycle Security Management of Huatai Securities Co. Ltd. (《华泰证券股份有限公司数据全生命周期安全管理规范》) and the Implementation Rules for Intranet Data Extraction of Huatai Securities Company Limited (《华泰证券股份有限公司内网数据提取实施细则》).



Trainings related to information security and customer privacy protection were carried out

11 times



Attend unified training

11,371 person-time



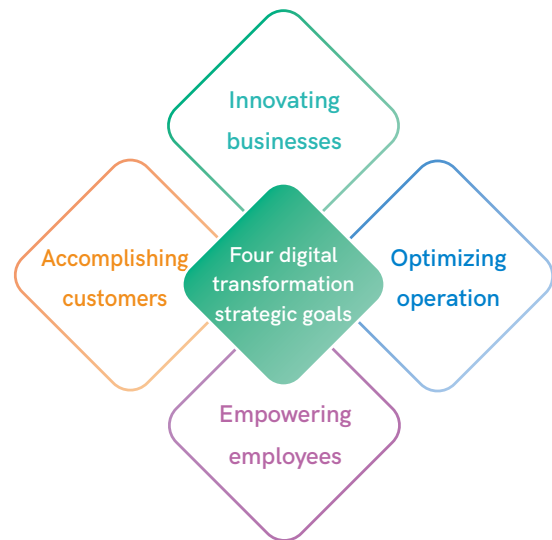
Attend special training

741 person-time

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

5.1 Accelerating Digital Transformation

The Company has seized the wave of financial technology development and driven its high-quality development via comprehensive digital transformation. In 2023, in line with the Company's four strategic goals of "accomplishing customers, innovating businesses, optimizing operation, and empowering employees", a digital Rubik's Cube system framework has been formed to establish a working system for the promotion of high-quality digital transformation of Huatai Securities.



Digital transformation construction

Perfecting key applications for further improvement of customer experience

In the field of wealth management, ZhangLe Fortune Path focuses on strengthening the transaction service capability and personalized recommendation ability; in the area of institutional services, it will continue to improve the Xing Zhi (行知)- Qing Yun (青雲) - OSC - OB synergistic digital service system for institutional clients.

Polishing key platforms for further enhancement of comparative advantage

The Capital Management Cloud Platform 1.0 is launched with the focus on promoting ability connection and function improvement of the platform in the fields of asset management, investment banking and trading. The investment banking cloud platform is upgraded to refine practice management and empower business integration. Targeting quantitative market-making and customer service, the FICC large trading platform is built with quantitative market-making and customer service integration capabilities to support the Company's FICC business entering the stages of strategic market-making, quantitative investment and risk management.

Fintech Empowering Services

"ZhangLe Fortune Path", empowered by technology, aims to provide investors with convenient, efficient and considerate intelligent wealth management services. It has completed the construction of the financial reporting assistant project and realized interpretation of the core content of financial reports and output of professional investment research content for customers with a new method of natural language question and answer.

In 2023, "ZhangLe Fortune Path" realizes the automated production of self-developed AI video templates, forming a systematic link for video production triggering, template data collection, video image and speech synthesis, and front-end scene delivery. It launched multiple video templates including "Intraday Movements of Individual Stock", "Review of Individual Stock Market Performance" and "Review of Individual Stock Dividend Capacity", which can automatically produce about **8,000** videos every day, further providing customers with more real-time and comprehensive AI video services for individual stock analysis and industry comparison, and are displayed to customers in core service scenarios such as the stock details page, serving an average of **2,200,000** customers per month.

As of the end of December,

the cumulative download volume of "ZhangLe Fortune

Path" reached **74.0124** million,

the average daily usage time per capita was as high as

23.7 minutes,

the average monthly active users were **9,064,300**.

Prevention and Control of Information Technology Risks

The Company established a business continuity management mechanism by taking key businesses as a breakthrough, continuing the construction of key resources, enhancing system high availability and disaster tolerance, improving system monitoring coverage and business awareness, establishing sound closed-loop management of incident problems, substantially eliminating production risks and hidden dangers, so as to successfully complete various important protection tasks. In 2023, the Company conducted **20** security trainings on information technology.

The Company established an emergency management system for network security incidents. The Company organized annual assessments and revisions of emergency plans by improving emergency plans for internal and external extreme scenarios, and revising the IT business continuity plan. By relying on the Huatai digital operations command center, the Company carried out the construction of emergency command and dispatch system, and carried out regular security duty and emergency standby at all times to enhance the overall emergency response level of the Company. In 2023, the Company conducted **7,265** drills on information system, network and infrastructure.

5.2 Information Security and Privacy Protection

The Company strictly complied with the Data Security Law (《數據安全法》), the Personal Information Protection Law (《個人信息保護法》) and other relevant laws and regulations, attached great importance to information security work, and served customer privacy protection as a priority. The Company strengthened the information security and customer privacy protection system, and promoted the process of information security and privacy protection through measures such as strengthening privacy protection and securing transactions.

In 2023, the Company has obtained the Level 3 (Comprehensive Governance Level) certification for data security governance capabilities from the CAICT, becoming the first batch of companies in the financial industry and the first company in the securities industry to achieve such Level 3 certification, which represents the highest level of certification currently available for open assessment.

The Company continues to build monitoring, early warning and event response capabilities of the network and terminal data leakage prevention system, database auditing platform, and application programming interface (API) citizen personal information abnormality monitoring platform. It formulates data security and personal information protection security incident contingency plans and conducts emergency drills, integrates and coordinates various data security capabilities to further enhance

Information Security and Privacy Protection Construction Work

Privacy Protection Improvement

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

Transaction Security Guarantee

- Launching security risk control in the whole life cycle of software development, including data security assessment, APP privacy assessment, security testing, promotion of APP SMS reduction, database security audit, data leakage prevention DLP, normal data security operation, and so on

Information Security Training

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

whole-process and full-lifecycle data protection capabilities. No data security incidents occurred in 2023.

In the principle of minimizing authorizations, the Company develops and improves access control policies for personal information through data security and personal information protection impact assessments and security baseline guidance in advance, establishes internal approval processes for important operation of personal information, and sets up separated responsibilities for relevant personnel; in principle, the use and processing of personal information should be set in a controllable environment; at the same time, expired accounts and authorizations should be regularly checked and cleared.

In order to provide services to customers, the Company may share necessary personal data with business partners, and in doing so, the Company will obtain customer consent through privacy policies, APP pop-up prompts, etc. When entering into contracts with suppliers and business partners, provisions related to information security, data security, and personal information protection are included therein.

In 2023, the Company released the "Regulations on Data Lifecycle Security Management of Huatai Securities Co. Ltd." (《华泰证券股份有限公司数据全生命周期安全管理规范》) (the "Regulations on Data Lifecycle Security Management") and the "Implementation Rules for Intranet Data Extraction of Huatai Securities Company Limited" (《华泰证券股份有限公司内网数据提取实施细则》) ("Implementation Rules for Intranet Data Extraction"). Specifically, the Regulations on Data Lifecycle Security Management requires that data processing should follow the minimum sufficiency principle; the Implementation Rules for Intranet Data Extraction requires that during data extraction review, focus should be placed on whether the data to be extracted comply with the minimum necessary principle.

The Company continued to strengthen information security and customer privacy protection training and diversified online and offline coverage channels, with the aim of enhancing the awareness of information security and customer privacy protection among employees of the Company. In 2023, through unified training for all employees, special training for risk management department, finance department, platform operation department, operation center and other departments and some employees with special authorization, we conducted a total of **11** trainings related to information security and customer privacy protection around customer information, employee information, impact assessment and APP privacy compliance and other security issues, with **11,371** participants in the unified trainings and **741** participants in the special trainings.

5.3 Protecting the Rights and Interests of Customers

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

◇ Information System Protection

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

In 2023, we cooperated with the Jiangsu Communications Administration, CERT Jiangsu Branch Center and other competent departments to combat black market illegal activities infringing on personal information rights, blocking **70,000** cases of fraudulent calls, banning **1,131** phishing websites pretending to be Huatai brand, 70 counterfeit APPs, **1,456** phishing mini programs / public accounts / social media accounts, **51** black market WeChat / QQ accounts, and **16,489** cases of false customer service phone information were cleared.

◇ Improving Customer Services

Focusing on "experience" and "professionalism", the Company continued to promote the construction of an intelligent customer service platform, built a service quality monitoring and improvement mechanism, and established a hierarchical customer service model. It expanded new media service forms such as live broadcasts and short videos to adapt to new changes in customer service preferences, thus achieving a dual improvement in its service efficiency and service experience. On top of the comprehensive protection of basic services such as customer consultation, notification return visit and account opening audit, the Company adopted a basic customers centralized service operation model, extended investment and wealth management accompanying services, and improved customer service satisfaction and value conversion.

The Company adhered to the "customer-oriented" service tenet by enhancing the management and supervision of customer

consultation and complaints, and formulated the "Huatai Securities Customer Service Specification" (《华泰证券客户服务规范》), establishing a civilized and standardized service image and increasing online customer service level. The Company provided round-the-clock services through the official customer service hotline 95597, online consultation and intelligent robots, and flexibly adjusted staffing according to customer service requests to ensure smooth service channels.

In 2023, the customer service center continued to advance the optimization of the intelligent customer service platform, and optimized AI service training, process management, quality training integration, intelligent assistant, account opening audit, monitoring and alarm and other functions of the intelligent customer service platform to improve service efficiency and intelligent service experience.

The "ZhangLe Fortune Path" - Methods for Optimizing Services for the Elderly and Special Groups

In order to implement the "customer-oriented" service concept by optimizing service quality and efficiency, improving the people-oriented financial services, and helping the elderly to overcome the "digital barrier", the "ZhangLe Fortune Path" continued to consolidate infrastructure capabilities in 2023 by completing the second stage of elderly-friendly transformation. The overall visual interaction design was more in line with the cognitive and operating habits of elderly users, and the functional scenes basically met their needs.

- Setting up multiple prominent entrances for switching to the care mode
- Reconstructing elderly-friendly elements to simplify the design and flatten the product information hierarchy to prevent cognitive overload caused by elderly users due to slow reading speed
- Providing a more prominent entrance in the search function scenario, add the word "search" and voice search function to prevent the elderly group from being able to obtain wealth information in a timely and effective manner due to input barriers
- Improving the interactive experience by expanding the operating area, increasing feedback time, and adding voice inquiries to improve the accuracy of operations for elderly users
- Employing methods such as defaulting larger fonts, appropriately enlarging icons, and improving color contrast to make interface information clearer and easier to identify, and improve the readability of information for the elderly

5.4 Strengthening Investor Protection

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

◊ Investor Education

The Company actively explored a new model of investor education service operation. With "ZhangLe App" as the core service platform and combined with differentiated investment education base outlets, the Company built an online and offline investment education service matrix. By furthering extensive cooperation with social organizations, the Company continuously innovated event formats and methods, highlighted event thematic features, and continued to expand the scope and depth of investor education through platform-based and ecological operations. Meanwhile, relying on the construction and operation of differentiated investor education bases, the Company has initially formed a characteristic regional financial and commerce intelligence culture, creating a new position for promoting and cultivating a rational investment culture.



◆ Huatai Securities Orange Island 1918 investor education base

The "Guardian Plan" of Huatai Securities Investment Education Bases Jointly Building a New Model of Inclusive Investment Education in the Silver Hair Age

In 2023, the Company focused on the inclusive welfare investment education project of "Guardian Plan - Guard Your Purse and Protect Happy Family" (守護計劃——守住錢袋子 護好幸福家), a new planning for middle-aged and elderly investors. It recruited 30 pioneer experiencers to form a lecturer group of "Guardian Plan". At the same time, the Company recruited young witnesses of "Guardian Plan" online from university campus volunteers to unite efforts of social welfare institutions, elderly care institutions, college students and party members, forming the "Investment Education + N" series of characteristic investment education courses. The Company also carried out more than 30 pilot activities in tens of communities and elderly care institutions, and delivered investment education knowledge and welfare and care services to investors in the silver hair age.



◆ Huatai Securities investment and education base "guardian plan" to build a new model of inclusive investment and education in the silver era

In 2023, Huatai Securities closely followed the key points of regulation and business hotspots, and launched more than a thousand themed investor education activities with a series of themes including the March 15 Investor Protection Theme, the May 15 Investor Protection Day, Shareholders Here, Comprehensive Registration System, Beijing Stock Exchange Business, Against-illegal and Anti-illegal Publicity Month, Financial Consumer Rights Protection Education Month and World Investor Week by linking all provincial-level bases and branches nationwide. Through interactive games, knowledge quizzes, live broadcast exchanges and other online platform-based service activities, as well as offline activities such as flash mobs, card punching and markets, the Company enriched the campaign participation and expanded the influence of campaign.

"Newsboy Wealth Management Practice Camp" (小報童財賦實踐營)

The Company continued to explore and practice children's financial and commerce intelligence education by launching the "Newsboy Wealth Management Practice Camp". In July 2023, the Company's investor education bases joined hands with the media to unveil the camp, participated by a total of 150 children. Through an integrated activity experience of "unveiling the camp with a small financial and commerce intelligence class - practicing the care sales of newspapers - finishing the camp with a financial and business board game challenge", children are allowed to understand basic concepts such as the source, creation and protection of wealth, so as to improve their and commerce intelligence literacy.



◆ Is a small newspaper boy, but also a small wealth - "small newspaper boy wealth practice camp"

◇ Financial Knowledge Popularization

The Company carried out financial product themed customer activities, popularizing asset views, public and private equity funds and allocation plans in the forms of strategy meeting, customer salon, 1V1 customer exchange, and live voice chat.

The Company launched a series of investment research services of the Shengxin (worry-free) Research Institute, including Daily Shengxin Early Knowledge, Shengxin Night Chats, Shengxin (worry-free) Research Institute Monthly / Quarterly / Annual Reports, Shengxin Timely Comments, Shengxin (worry-free) Research Institute Special Reviews / Special Issues and other research information. The Company provided major assets views and allocation plans, public and private equity and structured products, ETF trading tools to the public, and delivered financial knowledge such as views, product selection, and portfolio strategies through the TEC platform.

Growing Together with Employees

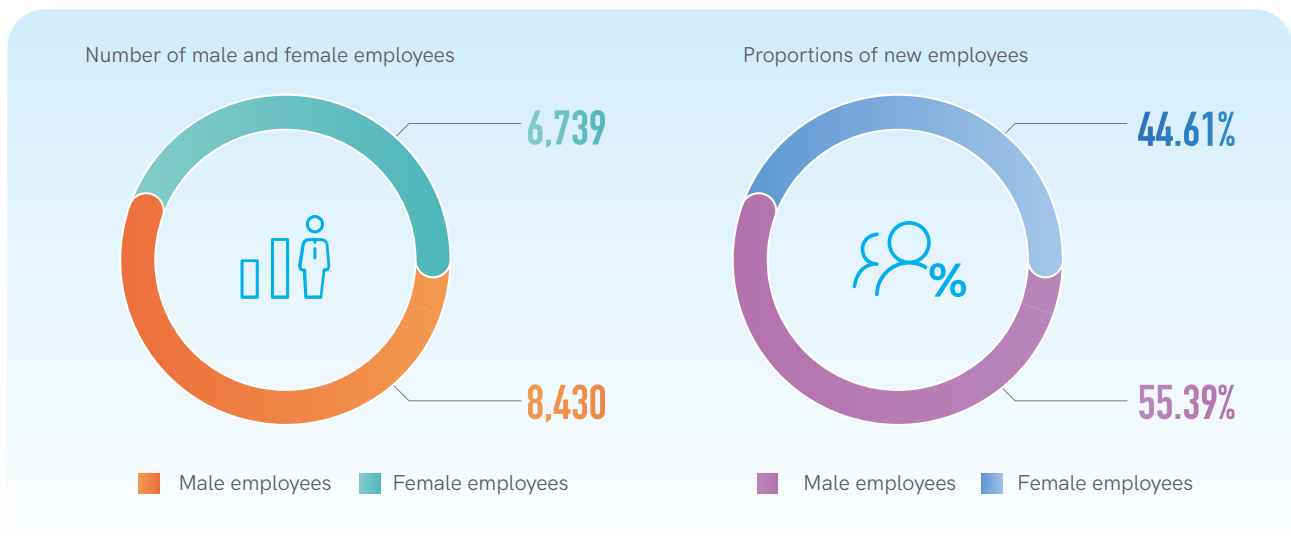
Huatai Securities has always regarded the growth of employees as one of the core elements of the Company's development, thoroughly implemented the international talent introduction and cultivation strategy, provided employees with a perfect talent cultivation mechanism, scientific career advancement channel, sound welfare security system and reasonable incentive measures, and enhanced employees' sense of identity and belonging to the Company.

6.1 Protecting the Rights and Interests of Employees

◇ Regulation of Employment Management

The Company strictly observed the relevant national laws and regulations, provided equal employment opportunities to employees, resolutely opposed employment discrimination, and ensured that employees' employment and career development were not affected by any factors such as race, faith, gender, religion, nationality, ethnicity, age, marital status and social status. In 2023, no confirmed event concerning illegal employment and labour was found in the Company.

Employee Diversity Performance in 2023:



Note: Due to the internal policies of corporations in the United States, the gender, age and education structure exclude U.S. company employees.

◇ Talent Introduction Management

The company focused on building a branded and ecological recruitment operation system, made forward-looking planning of talent layout, continued to increase the introduction of talents in core and emerging fields, deepened the market influence of employer brand, enhanced the attractiveness of talents and improved the competitive advantage of talents. In 2023, the Company insisted on ecological introduction of talents, and expanded the influence of employer brand and industry leadership through rich and interesting employer brand activities such as special talks, business lectures and sci-tech scholarships for students, and multi-innovative school-enterprise cooperation practices such as ecological forums and two-way visits for colleges.



“Htalent Dialogue” Recruitment Partner Conference - Creating an Ecosystem for Campus Recruitment at Home and Abroad

Using the Htalent Dialogue as a platform and a series of school-enterprise cooperation products as a starting point to enhance the industry-university-research cooperation ecosystem of the Company. In 2023, 12 special campus talks were held in Beijing, Shanghai, Shenzhen, Nanjing, Hong Kong and other cities.

Kingsman - Helping Training and Development of Young Talents

Kingsman is a talent reserve and training project for non-fresh graduates in the Company's "4+2" campus recruitment system. Through full-business chain training and cross-department rotation internships, a comprehensive solution integrating selection and training has been created, extending the training and reserve cycle of young talents to the stage of non-fresh graduates and going further.



Internal Talent Recruitment Program - Promoting the Healthy Mobility of Internal Outstanding Talents

In 2023, the Internal Talent Recruitment Program was launched twice to expand the career development space of employees and continue to optimize the organization's talent structure and allocation, which has further stimulated the vitality of employees and the organization.

Overseas Assignment Program - Building a Team with International Vision

In November, the first Overseas Assignment Program ("OAP") was launched to continue to build a talent team with international vision and cross-border business experience, further expanding the Company's talent pool.



◇ Enhancing Communication with Employees

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

Employee Representatives Conference

The Company adheres to regarding the employee representatives conference as the basic form and major method for democratic management. In 2023, the Company issued the "Implementation Rules for the Employee Representatives Conference of Huatai Securities Co., Ltd." (《华泰证券股份有限公司职工代表大会实施细则》), which regarded the implementation of employee representatives conference system as a basic institutional guarantee for employees to participate in democratic decision-making, democratic management, and democratic supervision of the enterprise. Two employee representatives' conferences, with 391 attendees, were held in 2023.

Satisfaction Survey

In 2023, the Company continued to conduct the survey of "listening to employees' voice" on technology line employees through anonymous questionnaires on multiple dimensions of thought, behavior and attitude, and focusing on researching working environment, internal atmosphere and human resource management. The result showed that the employee satisfaction rate was 89.0%, which was 5% higher than the satisfaction rate of the technology line in 2022.

In addition to the survey on technology line employees, the Company conducted surveys in different topics including training, cultivation and organization culture for various groups of staff such as youth staff and frontline staff. Based on the survey result, the Company made improvements in employee

care, talent training for young employees, and branches' talent team building, and strived to create a high-performance and highly engaged organizational culture.

"Colleague PostBar (同事吧)"

"Colleague PostBar" is our internal instant messaging APP which is designed to provide a platform for our employees to enhance communication. The Company collects and sends feedback from the special column in "Colleague PostBar" to the relevant responsible departments in a timely manner with clear response and implementation, and thus to achieve responses with efforts and results. The Company opens a special post of "Express yourself freely, Offer Help with Empathy (暢談心聲 共情同力)" in "Colleague PostBar" where the Company's leaders interact with our employees on such platform and respond to their suggestions and demands from offline or online. For the problems that cannot be solved on site or online, the Company's office will promptly give feedback to relevant departments and reply within 3 days.

◇ Caring for Employee Health

The Company handles social insurance and provident funds for our staff in accordance with the laws. The Company established the T.AI Health Healthcare and Benefits Scheme, covering commercial supplementary medical insurance and benefits at employee's discretion. Through the introduction of third-party health management companies, the Company launched employee major diseases (difficult and miscellaneous diseases) green channel services to provide employees suffering major diseases with green channel services such as outpatient treatment by famous doctors, hospitalization arrangements with famous doctors, and video consultations with famous doctors, improving the employee health management and security system. In 2023, the Company did not experience any non-compliance related to employees' occupational health and safety.

The Company continued to carry out the "Yang Guan Xin Tai" (陽關心泰) employee assistance program (EAP) where it promoted and

publicized the 7*24-hour psychological care hotline, built a response platform, publicized mental health knowledge, and provided online consultation channels. The Company carried out physical and mental health day activities by holding special activities such as care salons, care lectures, and health market Open Days to convey physical and mental health knowledge to employees in interesting, effective and diverse ways. Thus, the Company enabled employees to fully understand their own health levels in an immersive experience and release fatigue and stress, and helped them enhance their awareness of health management and maintain a positive working attitude.

Inviting experts from Jiangsu Province Hospital of Chinese Medicine to give lectures on health knowledge



Carrying out a series of activities of "T.AI Love Health" Healthcare Season ("T.AI 愛 Health" 健康關愛季) which attracted more than 700 employees to participate



Safeguarding Office Safety

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

6.2 Empowering the Development of Employees

◇ Employee Promotion and Growth

In order to further broaden the career development space of employees, enable outstanding employees to grow together with the Company, and support the long-term development of its business, the Company formulated and issued the Measures on Staff Management at the MD Grade of Huatai Securities Co., Ltd. (《华泰证券股份有限公司 MD 職級管理辦法》), which clarified the system framework, approval standards and adjustment rules of grade to promote the institutionalization and systematization of employee grade management.

The Company attached great importance to the building of talent echelon, promoted structural optimization, and carried out "Tai Bo Le" (泰伯樂) high-potential talent recommendation. With the list of outstanding managers and high-potential talents in the minds of front-line employees, it explored the core backbone and high-potential management talents of each business line. The Company respected the law of talent growth by implementing the progressive and companionate cultivation model for young talents in an orderly manner, and regarded the grassroots frontline as the main channel for young employees to grow into talents. The Company focused on three major areas of professional improvement, sector expansion and leadership development, formulated a personalized growth plan based on the platform for outstanding young talents and built a reserve echelon of multi-skill management talents.

◇ Employee Training and Development

By focusing on three major training topics featuring professional improvement, sector expansion and leadership development, the Company continued to optimize the talent cultivation system based on the whole life cycle for talent growth, fully meeting employees' development demands in different stages of career.



◆ Group Photo of Temporary Employees in the Sailing Program

"Seaworthiness Program" - Employee Rotation Fostering Program

In order to accelerate young employees' integration into the enterprise, the "Seaworthiness Program" - young employee rotation fostering program - was launched for the first time. The program set the goals of "synchronic professional fostering and comprehensive fostering" and "simultaneous cultural integration and ability improvement", and in line with the growth and development needs of employees in different business lines, built a personalized rotation fostering framework. In 2023, a total of 102 young employees from the headquarters and subsidiaries participated in cross-unit rotation fostering activity lasting 2-12 weeks.

"Sailing Program" - Temporary Job Program for Backbone Branch Employees at the Headquarters

In order to expand employees' business horizons, the Company launched the "Sailing Program" - temporary job program for backbone branch employees at the headquarters. We selected 47 young backbone employees from 27 branches to the headquarters business department or subsidiaries for a 6-week on-the-job study. We helped outstanding backbones employees of branches effectively improve comprehensive capabilities, expand business horizons, and strengthen professional qualities during the temporary job program by way of designating mentors, organizing temporary job-sharing sessions, and tracking job performance.

"Voyage Program" - Front-line Temporary Job Program for Young Employees

We take grassroots practice as the main channel for employees to grow into talents. We selected 15 young employees from the headquarters and 24 backbone employees from branches to serve as deputy general managers of securities branches, leading the teams to engage in business practice, and giving full play to the mainstay role of business cadres in the reform and transformation. Based on the performance of young employees on temporary assignments, we organized inspections and evaluations of temporary employees, and continued to promote the cultivation of outstanding management talents in actual business practices from the multi-dimensional presentation of management practices, performance results and comprehensive abilities.

"Pilot Program" - Post-oriented Fostering Program for Middle-level Managers

We insist on testing the results in actual combat, and based on the implementation of past programs, we also include the leadership of subsidiaries into the actual practice drill platform. In 2023, 12 outstanding young business department heads, headquarters team leaders or business cadres were promoted to serve as deputy general managers of headquarters departments or branches, and heads of relevant business lines of subsidiaries. We provided conversational coaching before their taking office, set annual performance goals during their terms of office, maintaining targeted tracking and real-time support and empowerment, and continuously monitored results and ability performance, thus providing a guarantee of talent echelon for the adjustment of management personnel at the end of the year.

◇ Employee Training System

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

Talent Development and Empowerment System

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

Huatai Star—Connecting cultural integration, social responsibilities and talent cultivation

Through the “Huatai Star” talent cultivation and development program, the Company practically strengthens young employees’ recognition over the culture of the industry and their awareness on social responsibilities. The program was selected as a practice case of cultural construction in the annual report on cultural construction in the securities industry. In 2023, the Huatai Star program designed the “ONE”-themed operation line. Through “One Huatai Star”, “First Employment Impression”, “One Huatai, Integrated Strategy” and other modules, it assisted newly-recruited employees from colleges in understanding the development strategies and core values of the Company.

In 2023, with the development process of “One Yangtze River”, the public welfare brand of the Company, in five years since its establishment as the main line, the Huatai Star program organized the relay challenge for 800 Huatai Stars, delivering a spectacular public welfare carnival and bringing social responsibilities as the first class for newly-recruited employees. About 200 participants from a total of 55 families joined in the activity.



Trainings on Leadership

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

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

From March to April 2023, the Company launched the “BAL” training programs for 22 new sales department heads of branches, integrating a variety of training methods such as “cloud-based learning, leadership roundtable π, situational leadership copyright courses, business & management private meetings” to realize the Total Solution for comprehensive training of sales department leaders, improving their ability to “manage themselves, promote business and empower the team”.



◆ BAL “relay” training program

Trainings on Professional and Business Capabilities

Focusing on the two-pronged technology-empowered strategy, the Company has established the training systems covering the whole business chain including “wealth management, institutional business, technology empowerment and international business”. Accurately promoting business empowerment under the strategic perspective, determining the talent portrait for the institutional business, and carrying out institutional business forums, public lectures, research classes and other brand programs; closely following the transformation of wealth management, specifying the core capabilities of integrated teams on wealth management and implementing the cultivation of private banking advisory and other professional teams; cultivating digital talents of the Company, releasing the capacity models of digital and compound talents, implementing the HIPO-Talent Cultivation program, the month of data empowerment, public lectures on Fintech DNA and other programs to support the digital transformation of the Company.

In 2023, the Company launched the “Digital Intelligence Empowerment to Create the Future” HUATECH Innovation and Creativity Competition. Focusing on the theme of artificial intelligence, it stimulated innovation vitality, showcased innovation achievements, strengthened professionalism, and encouraged all staff to polish “ingenuity” based on their positions, so as to boost the Company’s high-quality development.

Cooperation with External Educational Institutions to Cultivate Institutional Sales Talents

The Company held an intensive study class on institutional business for managers of the institutional sales teams of each unit of the Group. With key issues such as hot topics in the market, successful experiences outside and within the Company, and improvement in customer relationship management capabilities, the Company invited well-known experts and scholars in the capital market and senior figures in business-related fields to give lectures, and organized exchanges between multiple parties such as units of the Group, international investment banks, and customers of Huatai to improve trainees' professional level and vision.



◆ Institutional Business Intensive Study Class

Investment Advisory Growth Program empowers the "improvement of professional capabilities"

Closely following the transformation of wealth management, the Company established a classified and hierarchical training system on vertical and integrated wealth teams driven by the headquarters and developed professional teams with wealth service capabilities through the systematic and continuous "Investment Advisory Growth Program".

With customers as the center, the Company set up a classified and hierarchical empowerment and training mechanism on wealth teams with professional division of work and systematic cultivation and developed multi-dimensional, systematic and advanced trainings on professional capabilities.

Private banking advisory training program

With the focus on the establishment of the "Purple Gold Private Advisory" service system on the allocation of investment advisors and under the scenario with diversified demands of high-net-worth customers of the Company, it develops the comprehensive investment advisory service system covering the full lifecycle of customers' wealth management, strengthens the building of capabilities of private banking advisors on serving high-net-worth customers, the capability on systematic certification of products, the asset allocation service capability, the trading service capability, the platform application capability and the building of other comprehensive capabilities and optimizes the asset allocation processes and methods of high-net-worth customers to achieve the optimization of customer services and the improvement of professional allocation capabilities.

Wealth advisory training program

Relying on the companion service system of wealth advisory of Purple Gold, it enhances the coverage of customer services and the trading service capability, improves the private operation and service capabilities of wealth advisors, optimizes work processes and methods for serving wealth customers and improves the allocation scale, service breadth and depth of wealth customers to the maximum extent to optimize the service sense of wealth customers.

Wealth management advisory training program

With the purpose of efficiently expanding the scale of new customers, improving the professional capabilities of wealth management advisors and the output of customer acquisition and continuously boost the exploration of channels and the service for new customers of wealth management advisory, it innovates and masters the traffic guidance model in the new era, business process and key points in business compliance, the operation skills for potential customers and the study of methods, accelerates the individual professional growth and optimizes the sense of retail customers on services in combination with sufficient business communications and study.

Institutional RM training program

It correspondingly distinguishes the program based on the attributes of customer groups, business characteristics and service characteristics and achieves targeted intensive training and business improvement to strengthen the service coverage and operation quality and efficiency of institutional customers, improve the asset scale and revenue of institutional customers and build an institutional RM team with professional capabilities, vocational quality and innovative breakthroughs.

Digital Empowerment for Talent Cultivation

The Company fully leverages digital means to cultivate talents. By relying on the online learning platform, the Company has established a digital learning development system with the integration of "digital learning content + digital learning users + digital learning activities". It comprehensively implements the H Talent digital learning system both online and offline, so as to improve the comprehensive quality of employees. In 2023, the participants on HTSC Cloud Learning Platform per year were **1,262,600** with total **426,100** hours namely the average learning hours of per employee amounting to **45.57** hours.

Supporting Employees for Continuing Degree Education and Professional Qualification Certifications

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

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



6.3 Motivating Employees

◇ Welfare Security

The Company has established a standardized, market-oriented and humanized welfare security system to effectively satisfy the needs of employees for multi-level and personalized welfare security, while also earnestly safeguard the basic rights of employees. The Company continued to improve the welfare security system for all full-time contract employees and contractors, and have purchased commercial casualty insurance for labor dispatch employees thus to continually improve the rights and interests guarantee of dispatched employees.

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

Welfare System

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

◇ Performance Appraisal and Grievance

The Company continues to improve its performance management system, and adheres to the goal-oriented performance concept and the principle of fair and objective evaluation to continuously improve employee performance levels through the goal setting of employees' performance, the tracking and guidance of performance process, the assessment of performance and the feedback of performance results. The Company strives to build a high-performance team, transforms talent advantages into the Company's core competitive advantages, and promotes the mutual growth of outstanding talents and the organization. Employees dissenting on the results of the performance appraisal may make performance appeal and the Company will investigate the appeal case and form an opinion from investigation while applying strict confidential throughout the whole grievance escalation procedures, so as to properly handle employee grievance and effectively protect the rights and interests of employees.

In 2023, the Company organized three series of performance management empowerment trainings for managers at all levels of the department, comprehensively covering the whole life cycle of performance management. Their themes focused on "performance feedback and interview", "performance goal setting and review", and "performance tracking and process management" successively, with a total of nearly 500 participants in the empowerment training. By helping managers master the concepts, tools, methods and techniques related to performance management, the Company systematically improved the team's performance management capabilities, and cultivated management talents that meet its strategy and business development needs.

◇ Equity Incentives

In order to further establish and improve the medium and long-term incentive and restraint mechanism, gather scarce, leading and high-end talents of cutting-edge businesses and promote the concept of sustainable development with employees, based on relevant laws, regulation and policies, the Company implemented the Restricted Share Incentive Scheme of A Shares for senior and middle management and core key employees in April 2021.

In 2023, the Company successfully implemented the first-phase release from selling restrictions. Based on the satisfaction of the Company's performance conditions and the individual performance of incentive recipients, a total of **770** incentive recipients were released, in whole or in part, from selling restrictions on the restricted shares vested in the first lock-up period. The Company empowered the whole process of the share incentive scheme digitally, which improved the service efficiency of core employees and stimulated the vitality of the talent team.

6.4 Caring for Employees' Life

The Company cares for its employees by organizing various rich and colorful cultural and sports activities and interest groups, and launches the "A Week for Goddess Season" series of events to guide employees to edify their spirits. The Company implements dynamic tracking management of the database of employees in hardship, providing timely condolences to employees who get married, are hospitalized or have suffered family decease, so as to increasingly enhance the sense of belonging and identity of employees. In 2023, **151** employees were visited daily.

The Company encourages employees to actively participate in public welfare charity. It carried out the activity of "practicing the spirit of Lei Feng to spread love with voluntary blood donation", with **53** employees donating and guarding lives. The 2023 "Charity One-day Donation" activity was organized, with a total of **2,887** participants, raising RMB**408,000** to convey the care and warmth of Huatai staff.



In 2023, **786** staff participated in volunteering, with total **2,358** hours contributed to volunteering, representing a year-on-year increase of approximately **46%**.

The Company carried out the special cultural value transmission program of "Caring from Huatai, Going Ahead with One Heart" (愛在華泰，同心同行) celebration. A total of **82** story submissions were received, and the number of story readings exceeded **10,000**, and **1,200** people participated in the special event of the Company's celebration day, with a satisfaction rate of **98.79%**.

Carrying Out the Long-Term Employee Care Project Theming "Thank You for Being With Us All Along", Covering more than 2,700 Employees in 2023



Various Forms of "Goddess Day" Activities Carried Out in the Company's Headquarters and Local Branches



Participating in the 2023 Provincial Enterprise Staff Fun Games



Implementing the Concept of Modern Governance

In compliance with the requirements of laws and regulations such as the Company Law of the People's Republic of China and the Securities Law of the People's Republic of China strictly, Huatai Securities continues to optimize its corporate governance structure and improves the Company's system development by enhancing comprehensive risk management and keeping compliant operations to ensure its steady operations.

7.1 Development Guided by Party Building

The Company adheres to the guidance of Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, firmly supports the "two establishments" and resolutely achieves the "two safeguards". It comprehensively and thoroughly implements the spirit of the 20th CPC National Congress, conscientiously implements major work arrangements of the central government, the provincial Party committee, and the Party committee of Provincial State-owned Assets Supervision and Administration Commission. Focusing on the main line of implementing the spirit of important speech on Jiangsu work from General Secretary Xi Jinping as well as the two major events of thematic education and election of the Party committee, the Company unwaveringly implements the political responsibility of strictly administering the Party in an all-round way, and continues to deep integration of Party building and business development, so as to ensure the Company's high-quality development with high-quality party building.

◊ Strengthening Party Building

The Company creates a brand of Party building of "Integration for Gathering Strength", and improves the methods of co-learning and co-construction of "Integration for Gathering Strength". It guides grassroots Party organizations to carry out extensive pairing and joint construction with business partners, Party and government agencies, development parks, subdistricts and communities, and realizes the deep integration of Party building and business development, forming a characteristic content system of "four integrations and four gatherings". Since its launch, the Company's grassroots Party organizations have paired up with 465 external units in aggregate, carried

out 1,011 activities, established 89 Party member vanguard groups, implemented 118 practical projects for the people, and promoted 178 cooperation projects involving an amount of RMB61 billion.

The Company promotes the digital transformation of Party building, closely integrates the "standard + demonstration" construction of Party branches with the digital transformation of Party building, breaks down platform barriers, and enhances data application. It automatically evaluates and scores various tasks of grassroots Party organizations through real-time collection, automatic analysis, and remote supervision of platform data, so as to achieve an "accurate portrait" of grassroots Party organizations. The Company has established a data-based assessment and evaluation system for Party organizations and Party members, so as to form a situation of "one portrait" for a Party branch and "one table" for all work.

◊ Party Member Education and Training

We solidly carry out thematic education on studying and implementing Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and integrate and advance key tasks such as theoretical study, investigation and research, promotion of development, review and rectification. During the theme education period, the Company's Party committee carries out activities such as concentrated learning and special seminars, and grassroots Party organizations carry out the "Three Meetings and One Lecture" (三會一課) system and "Keep in mind the instructions, forge ahead with gratitude, and be at the forefront" discussion, and hold themed Party Day activities. The Company's middle-level and above Party members and managers take the lead in determining research topics, identifying problems and formulating corrective measures.

◇ Construction of the Party Conduct and of An Honest and Clean Government

The Company regards integrity culture as an important part of corporate culture construction, promotes the organic integration of the Party's integrity culture and the securities industry's compliance culture, and internalizes the concept of integrity and code of ethics into occupational beliefs, so that the sense of value of "proudness with honesty and virtue with integrity" (以廉為榮、以潔為美) is deeply embedded. The Company carries out warning education for members of the Company's Party committee leadership team, members of the senior management, secretaries of directly affiliated Party organizations, and heads of departments, branches and subsidiaries. The Company uses typical cases that have occurred in the Company in recent years as examples and uses persons and things around us to educate and remind others. The awareness of discipline, rules, overall situation, and holistic approach has been enhanced throughout the Company, the mechanism of not daring to be, not being able to be, and not wanting to be corrupt has been consolidated, bringing a stronger atmosphere for work and entrepreneurship and striving for the best. During important periods such as New Year's Day, Spring Festival, Mid-Autumn Festival, and National Day, the Company promptly issues notices on the construction of Party conduct and of an honest and clean government, timely forwards requirements of relevant documents of the Provincial State-owned Assets Supervision and Administration Commission, continuously strengthening ideological awareness.

7.2 Improving Corporate Governance

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

◇ General Meeting, the Board of Directors, the Supervisory Committee and Senior Management

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



General Meeting

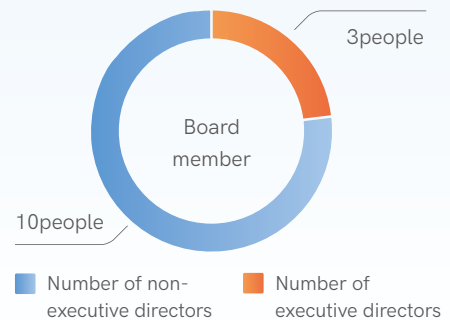
The General Meeting is the organ of the highest authority of the Company. The Company convenes and holds shareholders' general meetings in strict accordance with the relevant provisions of the Articles of Association and the Rules of Procedures for General Meetings to ensure the equal status of all shareholders and enable them to exercise their rights completely.

Board of Directors

The Board of Directors of the Company has followed lawful and effective procedures in considering connected matters, and independent directors have expressed their prior approval opinions and independent opinions. The Company revised and improved the Working System for Independent Directors to ensure that all the independent Directors have independently and objectively worked to protect the legitimate rights and interests of the Company and its shareholders. In 2023, the related-party transactions of the Company were fair and reasonable, and no circumstances impairing interests of the Company and shareholders have been found.

The Company considers the diversity of Board members in several aspects, including but not limited to gender, age, cultural, educational background, professional experience, skills and knowledge and employs appropriate candidates in a scientific and reasonable manner. As at the end of Reporting Period, there were total 13 members of the Board of Directors of the Company, including 3 executive directors, 10 non-executive directors, and the Board of Directors includes 12 male members and 1 female members. Members of the Board of Directors came from the finance, economics, accounting and legal industries. The non-executive directors of the Company do not hold any shares of the Company.

The Company has established the Compliance and Risk Management Committee, the Audit Committee, the Development Strategy Committee, the Remuneration and Appraisal Committee and the Nomination Committee under the Board of Directors with all special committees performing their own functions and responsibilities and doing their parts to promote the efficient, scientific and standard operation of the Company.



Supervisory Committee

The Supervisory Committee of the Company is composed of 7 supervisors, including 3 employee representative supervisors. The Supervisory Committee is responsible to the general meeting and effectively supervises the legality and compliance of the Company's finance and the performance of duties by the Board and the management of the Company. The Company maintains and improves the employee representative supervisor mechanism and allows employee supervisors to participate in corporate governance in an orderly manner.

For other details of corporate governance, please refer to the chapter headed "Corporate Governance" in the 2023 Annual Report of Huatai Securities Co., Ltd.

◇ Information Disclosure Management

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

Synchronous Disclosure Mechanism for Domestic and Overseas Multi-Market Information

Huatai Securities is the first domestic securities company listed in Shanghai, Hong Kong and London. The office of the Board of Directors strictly complies with the requirements set forth in the laws, regulations and regulatory documents of the PRC and the overseas jurisdiction where the shares of the Company are listed, insists on fulfilling information disclosure obligations in accordance with laws and regulations, and ensures that the information disclosed is true, accurate, complete, concise, clear and easy to understand, proactively and promptly discloses the information that may have a substantial impact on the market, investors and other stakeholders, and ensures the equal access to information of domestic and foreign investors.

Continuously Improving Information Disclosure Policies and Systems

In order to improve and standardize the specific works in the information disclosure process and comprehensively ensure the legality and compliance of all aspects of the Company's information disclosure, the Board of Directors has formulated and improved a series of specific working systems and management measures for information disclosure, including the Management Measures for Information Disclosure, the System regarding Insider Registration and Management and Confidentiality and other rules and regulations, to comprehensively regulate the Company's information disclosure affairs, ensure the truthfulness, accuracy, completeness and timely disclosure of all information, and

ensure the equal access to the Company's relevant information of all shareholders. It has clarified and refined the management process and regulations for information disclosure of the Company and established a regular communication mechanism to ensure the stable operation of information disclosure channels. At the same time, the Company attaches great importance to the quality of information disclosure and checks the disclosed content at all levels to ensure that the truthfulness, accuracy, completeness and timeliness of publicly disclosed information. In addition, in strict compliance with the relevant provisions of the System regarding Insider Registration and Management and Confidentiality, the Company strengthens the management of insider information, keeps insider information confidential well, and maintains the principle of fairness in the Company's information disclosure.

Hiring a Professional Team to Support Information Disclosure

The Company hires a Hong Kong company secretarial team, a Hong Kong law firm and a professional financial printer to provide advice and support for the Company's H-share market information disclosure. The Company complies with regulatory requirements, discloses A-share announcements in the form of overseas regulatory announcements in the H-share market, and promptly discloses H-share announcements in the A-share market. A dedicated person from the Board Office is responsible for the preparing and release of London Stock Exchange announcements to ensure timely and accurate disclosure of information. The company hires a London law firm and a professional financial printer to provide advice and support for the Company's information disclosure on the London Stock Exchange.

Ensuring the Timeliness of Information Disclosure by Overseas Subsidiaries

AssetMark, a subsidiary of Huatai Securities, is listed on the New York Stock Exchange. The Board Office has established an information transfer mechanism with overseas subsidiaries, reporting relevant information on major matters in real time, and submitting a list of information disclosure matters at the beginning of each quarter to ensure the synchronization and consistency of information disclosure by the parent company and subsidiaries. The Company's Board Office promptly collects the information disclosed by AssetMark in its periodic reports and includes the significant matters in the Company's periodic reports.

◇ Safeguarding the Rights and Interests of Minority Shareholders

The Company prepares and strictly implements the Rules of Procedure for General Meetings of Shareholders to ensure that shareholders exercise their legitimate rights and interests in an equal and effective manner. When the General Meeting considers significant matters affecting the interests of small and medium-sized investors, the votes of small and medium-sized investors are counted separately and disclosed publicly in a timely manner. The controlling shareholders and the de facto controller of the Company shall not restrict or obstruct small and medium-sized investors to exercise of the voting rights in accordance with the law, and shall not impair the legitimate rights and interests of the Company and the small and medium-sized investors. The independent directors are obliged to be honest and diligent to the Company and all shareholders, and are particularly concerned that the legitimate rights and interests of small and medium-sized shareholders are not harmed. The Company treats all investors on an equal footing when conducting investor relations management activities, and in particular, creates opportunities and facilitates the participation of small and medium-sized investors.

◇ Communications with Investors

The Board of the Company highly values investor relations management, and actively plans, arranges and organizes various investor relations management activities, including coordinating visitor receptions and maintaining contact with regulators, investors, intermediaries and news media.

In 2023, the Company held 6 shareholders' general meetings to explain matters to be discussed at the meetings to the Company's shareholders, introduce the latest development of the Company, answer the shareholders' inquiries, and actively listen to and collect shareholders' opinions and suggestions on the Company's operations, management and future development. The Company maintained the "Investor Relations" section of its website, and answered investor' inquiries on the e-interactive platform of the Shanghai Stock Exchange website. Throughout the year, a total of 37 batches of approximately 119 researchers and investors from domestic and overseas securities firms, fund companies and other institutions were received to visit and investigate or for telephone interviews. The Company constantly summarizes, analyzes and sorts out various issues raised by institutional investors and researchers, and compiles them into the "Investor Relations Monthly Report" and reports the same to the Company's management.

Communications with Investors through Technology

In line with the publication of regular reports, the Company made full use of the power of technology to hold two online live broadcasting results announcement conferences through the institutional investor service platform "Xing Zhi" APP. During the conferences, the "Xing Zhi" APP conducted an online live broadcasting throughout the whole process, supporting the display of roadshow materials and live broadcasts on the same screen, allowing investors to interact in real time through comments, which further facilitated the communication between investors and management. In addition, the Company held three results briefing meetings through text interaction and other methods to fully communicate with investors as much as possible and provide convenience for investors.



◇ Related-party Transactions

The Company has established and improved the related-party transaction management system, refined the management process, strengthened the collaborative cooperation of each unit in the management of related-party transactions, and enhanced the practicality of the system, providing institutional guarantee for the compliance of related-party transactions.

The Management System for Related-party Transactions of Huatai Securities Co., Ltd. provided an important institutional guarantee for the Company to conduct related-party transactions in compliance. The Company continues to optimize its management mechanism of related-party transactions, fulfills its approval and disclosure obligations of related-party transaction in accordance with the requirements of the related-party transaction management system, implements related-party transaction limit management, and strengthens the statistics, monitoring and reporting of related-party transaction data, so as to ensure that the management of the Company's related-party transactions is standardized and effective.

7.3 Strengthening Compliance Operation

◇ Construction of Compliance System

In 2023, the Company continued to strengthen compliance management, implemented the anti-money laundering responsibilities of financial institutions, and promoted the effective integration of anti-money laundering work and actual business. In accordance with the requirements of laws and regulations and the actual situation, 12 systems were formulated or revised to improve compliance management, anti-money laundering and other systems. For the information on the punishment and rectification of the listed company in 2023, please refer to the section headed "Major Events" of Chapter 3 "Corporate Governance" of 2023 Annual Report of Huatai Securities Co., Ltd.

◇ Construction of Compliance Culture

We comprehensively implement the central government's requirements on the construction of financial rule of law, and continue to promote the construction of state-owned enterprises under the rule of law in accordance with the Company's "Eighth Five-Year Plan" for law publicity. Throughout the year, we carried out two special law publicity activities for intellectual property protection and the 4th Legal Tai "Knowledge with and Practice of the Law, Creating a Prosperous Future Together" (知法力行·共譜華章), striving for a full coverage of all employees. We innovated the form of law publicity, using multimedia equipment at the Company's headquarters, various business outlets, and investment education bases as carriers to scroll through posters promoting the constitution, key laws, and financial regulations. We utilised the department's "Vision of Compliance" public account as a base to push law publicity cases in a matrix form and the latest developments, keeping abreast with the times and increasing the efficiency and popularity of law publicity education. We enriched the forms of law publicity activities and carried out on-site law publicity interactions and Group-wide law publicity short video competitions to enhance the sense of participation and enthusiasm of all employees in respecting, studying, complying with and applying the law. Three live broadcasting of lectures were organized around the topics of securities industry

regulations, new private equity fund regulations, futures and derivatives supervision, which closely following the requirements of financial rule of law construction, integrated law publicity in service advocacy. We strengthen employees' consensus on the rule of law concept and recognition of the rule of law value, and by launching "multi-dimensional and immersive" law publicity activities, create an atmosphere of rule of law of "knowledge, understanding and compliance with the law".

The 4th Legal Tai Law Publicity Activity of "Knowledge with and Practice of the Law, Creating a Prosperous Future Together"

With the unique brand of "Legal Tai" featured law publicity as the main platform of internal publicity, the Company held law publicity activities of "Knowledge with and Practice of the Law, Creating a Prosperous Future Together". Leveraging on the Company's integrated synergy advantages, we practiced the ESG paperless concept by connecting more than 200 branches across the country with the headquarters. During the law publicity, we held the "Glimpses of Huatai, Knowledge with the Law" (掠影華泰·知法同行) short video competition. A total of 82 works were received from 14 branches, 3 departments and 3 subsidiaries, and 20 outstanding works were selected therefrom, achieving the effect of promoting learning through competition and applying what's learnt.

The Company held the "Early Winter's Elegant Gathering, Rhythm with You" (初冬雅集·律動有你) on-site interactive event where such means by which employees are happy or easy to participate in were used to carry out constitutional propaganda, and actively created an atmosphere of rule of law of "knowledge and compliance with the law", with participants reaching more than 300 on-site. The Company integrated law publicity education in professional lectures, and conducted comprehensive and in-depth trainings on the Futures and Derivatives Law (《期貨和衍生品法》), the Regulations on the Supervision and Administration of Private Equity Investment Funds (《私募投資基金監督管理條例》), and key business areas such as the three-dimensional compliance of securities companies.



Upholding Business Ethics

Business Integrity

In 2023, the Company paid attention to all-round promotion of the culture of integrity and built a solid awareness of rules among all employees. Firstly, we strengthened the management of business integrity by implementing requirements for the construction of an integrity ecosystem in the securities industry and revising the "Management Measures for Business Integrity" (《廉洁从业管理办法》) of the Company. We organized inspections of each business line on the implementation of business integrity clauses, and implemented the integrity commitment requirements for parties involved in outsourced services. Secondly, we strictly abided by the new management regulations on practitioners, revised the "Measures for the Management of Securities Investment Behavior of Staff" (《工作人员证券投资行为管理办法》) twice, specifying a hierarchical investment declaration mechanism, organized employees to complete investment information declarations, and strengthened the control of

improper employee information inquiries and abnormal investments in related accounts. Thirdly, we carried out multi-level training on integrity in business, increased training and warning education, and participated in warning education meetings for managers. As for middle-level and above managers, we gave them a series of case warnings on business integrity, reminded the main responsibilities for management of business integrity, with warning education fully covering key positions; organized business and compliance personnel in key positions of the headquarters departments to carry out 5 practices warning educations to ensure that staff "hold discipline in awe and respect and keep the bottom line", so as to prevent the risks of integrity in business such as transfer of interests. The Company gave "first lesson" in 8 warning educations to branch heads, major business personnel and compliance personnel to encourage branch heads to teach compliance in person and carry out internal publicity and warnings; publicity and warning education were carried out to compliance heads of subsidiaries and heads of compliance departments for their investment behaviors, in order to strengthen Group-wide business integrity management, and promote a strong awareness of rules among employees.

During the Reporting Period, 0 corruption litigation case occurred, 0 corruption litigation case related to securities branches was concluded, and 0 corruption litigation case related to employees was concluded.



◆ Trainings on Employee Practices Management

Anti-corruption and Ethical Standards Training

In 2023, the Company carried out anti-corruption training for directors and released to them learning materials such as "Introduction to the Key Points of Anti-Corruption Consultation Disclosed in Environmental, Social and Governance Reports" (《環境、社會、管制報告中披露反貪污諮詢的要點介紹》) and "Anti-Corruption System Practice Guidelines for Listed Companies" (《上市公司防貪系統實務指南》).

In 2023, the Company conducted ethical standards-related training for all employees including directors (outsourced employees inclusive), and proactively carried out the promotion and education on the topic trainings of the Ten Key Points on Cultural Construction for Securities Industry (《證券行業文化建設十要素》), the "Work Arrangements for Further Consolidating and Promoting the Cultural Construction of the Securities Industry" (《進一步鞏固推進證券行業文化建設工作安排》) and the "Proposal to Establish a Concept of Honor and Disgrace in the Securities Industry" (《樹立證券行業榮辱觀的倡議書》).

Whistle-blowing Channels and System to Protect Whistle-blowers

The Company strictly abides by the Regulations on Dealing with Reporting Work of Disciplinary Inspection and Supervision Organs, the Implementation Measures for the Establishment and Improvement of the Clarification and Protection Mechanism on Falsely and Wrongly Accused Party Members and Cadres (Trial Implementation) and other regulations to effectively protect the legitimate rights of whistle-blowers and strictly implement confidentiality requirements. We set up and announced whistle-blowing channels, including letters and petitions, online whistle-blowing and telephone whistle-blowing, for the purpose of building the Company's image of compliance and integrity. We released the "Whistle-blowing and Whistle-blower Protection System of Huatai Securities Co., Ltd." (《华泰證券股份有限公司檢舉及檢舉者保護相關制度》), which mainly elaborates on relevant requirements and measures of the Company for whistle-blowing and accusation, whistle-blower protection and false accusation and frame-up.

Internal Audit

The Company put in place an internal audit system and set up a specialized agency with fulltime auditors to conduct audit programs, implement audit procedures, and perform audit supervision responsibilities in accordance with the audit plan approved by the Board and under the leadership of the senior management, and submit audit reports to the Board. The Company conducted internal audit supervision of business operation activities, accounting and financial management, construction and implementation of internal control system, completion of business objectives, fulfillment of responsibilities related to the construction of the Party conduct and of an honest and clean government and compliance with the provisions of integrity in business, as well as other financial income and expenditure and economic activities of the Company.

Strengthening Business Ethics Audit

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



◇ Anti-money Laundering Efforts

The Company strictly implemented anti-money laundering regulations and regulatory requirements, and completed the revision of the Anti-Money Laundering Organization Structure and Responsibilities (《反洗錢工作組織架構與職責》), which specified operational guidelines for inspection, freezing and seizure, customer due diligence, and beneficial owner identification and updated corresponding training courses. During system transformation and process optimization, it drew up requirements for monitoring abnormally large transfers, conducting due diligence for large transactions, strengthening due diligence for high-risk customers, and optimizing the continuous due diligence module for institutional customers, and realized online inspection, freezing and seizure and key due diligence tasks for elderly customers. In 2023, the Company conducted 6 special anti-money laundering publicity activities and organized 21 anti-money laundering trainings.

The Company attaches importance to anti-money laundering publicity and positive guidance, and is committed to extending anti-money laundering knowledge to audiences of different ages and industries, so as to educate and guide the public to enhance awareness of anti-money laundering, and resist money laundering crimes. Through a series of publicity and training activities, we received good response from employees and the public, with publicity effects exceeding expectations.



Unveiling Ceremony of Anti-money Laundering Education Base

In December 2023, the Company was invited by the People's Bank of China Jiangsu Branch to participate in the unveiling ceremony of the Jiangsu Anti-Money Laundering Education Base. The Company took advantage of this opportunity to enter the campus and conduct anti-money laundering publicity. By designing and printing roll up banners and promotional leaflets, setting up publicity booths, and in the form of prize-winning quizzes, the Company actively propagandized anti-money laundering knowledge to teachers and students. The publicity activities were very popular and the response was enthusiastic.

Anti-money Laundering Publicity

In April 2023, in order to give play to the important role of anti-money laundering publicity in maintaining financial security and preventing money laundering risks, the Company organized anti-money laundering publicity activities under the themes of the "4.15 National Security Education Day" and the "Cryptography Law". By unifying publicity slogans, we required all units to adopt diversified means of publicity to effectively extend the reach of such slogans to more people, and further enhance employees' awareness of cryptography security.



Anti-money Laundering Essay Competition

In August 2023, the Company organized an anti-money laundering essay competition. This essay competition gave play to the active research capabilities of personnel in all lines, improved the effectiveness of the Company's anti-money laundering efforts, and effectively promoted the transformation of anti-money laundering work into a "risk-based" one.



Supplier Management

The Company attaches importance to strengthening supplier management and optimizing the supplier management system. In 2023, the Company independently developed a dynamic supplier evaluation system, which can customize evaluation dimensions according to different types of suppliers. It also supports customized evaluation functions for special scenarios, adding the real-time evaluation of project dimension which improves the timeliness and accuracy of supplier evaluation.

The Company strengthens the identification, assessment and management of suppliers' environmental and social risks. On the basis of anti-commercial bribery clauses embedded in the contract, the new version of integrity undertaking was launched in 2023, which is required to be signed by handling personnel while commencing all procurement activities and by suppliers upon signing of all procurement contracts. As thus, we managed both internal and external issues to build a solid bottom-line of integrity in business. The Company insists on promoting

the concept of sustainable development. During bidding activities, it reviewed suppliers' payment of social security for employees, integrity of tax payments, and compliance with laws and regulations. As clearly stipulated in the procurement management measures, "the Company shall give priority to purchasing energy saving and environmental protection products in procurement".

Intellectual Property Protection

The Company is in strict compliance with the Patent Law of the People's Republic of China (《中華人民共和國專利法》), the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》), the Trademark Law of the People's Republic of China (《中華人民共和國商標法》) and other laws and regulations, and avoids the infringement of others' intellectual properties to control legal risks while effectively protecting its own intellectual properties.

In April 2023, the Company organized a special publicity activity for intellectual property rights. The promotional posters were carefully designed to fit the theme of "Respecting Knowledge and Advocating Innovation" and were displayed online in a matrix form. Typical cases were pushed to each of employees through Link's "Vision of Compliance", a new legal popularization position, to explain the law with cases and hot topics such as "artificial intelligence" and "algorithms" were focused on. The Company invited external experts to conduct online live broadcast training around "common intellectual property issues and response strategies in self-media operations", and created an atmosphere of rule of law of "respect, understanding, compliance with and application of the law".



◆ Online Live Broadcast Training

◇ Responsible Marketing

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

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

7.4 Comprehensive Risk Management

◇ Comprehensive Risk Management System

The Company has established and improved the risk management organizational structure and developed a multilayered working mechanism with mutual connection and effective balance. In 2023, the Company actively improved the comprehensive risk management system and management mechanism to lay a solid foundation; refined the capital risk management system to increase the efficiency

of capital use; upgraded the professional risk management system; standardized the model risk control process to ensure reasonableness and effectiveness of the risk measurement foundation; established a risk culture with stability for long-term development and forged a company image of high-quality development.

Incorporating Overall Risk Management into the Audit Scope

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

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

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

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

Comprehensively, we sort out the balance sheet business risks, put forward response suggestions, and support management decisions; in order to clarify a full view of main business and risk control, we consolidate the business risk manager mechanism and formulate white papers on risk and internal control to identify risk hazards and plug control loopholes.

We solidify the foundation of risk data and improve data completeness, timeliness and accuracy; build a risk management measurement base and general management tools to enhance the underlying capabilities of risk control; improve the professional risk control system structure and solidify the risk management applications.

We continue to strengthen risk control of key businesses, mainly to enhance the risk control of credit bonds and establish a normalized risk-bearing bonds screening and disposal mechanism; to proactively sort out and eliminate counterparty risks in light of the macroeconomic situation; to implement a crisis management mechanism for margin financing and securities lending business and to complete business emergency liquidation level management and liquidity risk resolution support options. In addition, we continue to promote the platform and system construction in key areas, advance the optimization of professional credit risk layout, build a credit bonds risk management platform, and improve the ability to identify credit bonds risks. In the meantime, we conduct an in-depth review of the substantive risks of the Group's credit business, strengthen full-process management, and support customers or projects with good economic returns and social benefits, thereby increasing our support on the real economy.

We continue to improve the sanctions compliance risk control system, and appropriately expand the scope of list penetration screening based on industry characteristics to prevent sanctions risks, which includes launching product single client and partnership partner monitoring list screening function, and proposing IT need to improve the special approval process for early warning customers of political dignitaries; improving the fuzzy matching rules for customer names in the blacklist backtracking module, and proposing the need to include the Ministry of Foreign Affairs' countermeasures list into the scope of sanctions list monitoring.

◇ Empowering Comprehensive Risk Management with Technology

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

In 2023, the Company focused on the risk data governance, employing a wide table of risk data and a quantitative risk control base based on data plus measurement of OTC derivatives positions, and thus laying a solid foundation for the in-depth quantifiable and scenario applications for risk management. The Company values the effective integration of risk management with information technology system,

formulates special budgets for the risk management information technology system on an annual basis, and continues to enhance related investment efforts.

In 2023, the Company initially established a unified risk management system for OTC derivatives business to tighten the control over key business links; optimized the platform's ability for risk management of the Group's consolidated capital and risk management of transaction business; continued to improve procedure control solutions based on business scenarios, and by employing systematic processes to push forward work, strengthened the whole-process closed-loop implementation of risk monitoring and control. The Company continued to expand the coverage of risk limit indicators by supporting daily risk management and decision-making needs through automated monitoring, warning and breakdown of risk limit, and advancing the digital transformation of regular risk management, so as to improve working effectiveness.

◇ Risk Management Culture Advocacy

The Company's online learning platform launched courses of comprehensive risk management system, interpretation of operational risk management tools, and key business risk management. The relevant courses are set as basic training courses for all employees to enhance their risk management awareness in daily work. From 2023 to nowadays, the Company has organized 51 professional trainings regarding risk management under the theme of "Stability for Long-Term Development and Professional Empowerment", covering the introduction of risk management systems such as OTC derivatives risk management, new business risk assessment management, and single business concentration management regulations, as well as the theme of digital transformation of risk management of the Company. In November 2023, the company held the "Tai Ran" Risk Management Culture Promotion Month. Based on the cultural concept of "compliance, integrity, professionalism and stability" in the securities industry, the activity guides all employees to adhere to the idea of "risk management is the lifeline", strengthens the awareness of all employees to "defend the territory and act steadily and far-reaching", and continuously improves the initiative and effectiveness of risk management. During the event, the company organized 9 risk management training courses, 6 exchanges and seminars between universities and business departments, organized emergency drills for the company's business, and launched the "Fengshen List" answering contest and the "Lookout" essay selection activities. During the same period, the company opened the official account "Huatai Wind Chimes" to answer questions and solve problems in the risk management problems encountered by employees on a daily basis, which was actively participated and widely praised by employees.

Key Quantitative Performance Indicators

Economic Performance Indicators¹

Indicator	Unit	2021	2022	2023
Operating income	RMB10,000	3,790,544.37	3,203,156.21	3,657,758.53
Total profit	RMB10,000	1,627,256.25	1,222,803.78	1,420,466.32
Tax paid	RMB10,000	524,202.31	353,151.80	194,670.13
Total assets	RMB10,000	80,665,083.27	84,657,098.96	90,550,838.86
Expenses on employee benefits	RMB10,000	933,848.50	1,073,645.60	1,163,903.78
Total external donation investment	RMB10,000	4,600.16	4,282.89	4,456.65
Basic earnings per share	RMB	1.47	1.18	1.35
Social contribution per share ²	RMB	4.22	3.44	3.75

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

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

Performance Indicators for Greenhouse Gas (GHG) Emissions, Energy Consumption and Waste Gas Emissions¹

Indicator	Unit	2021	2022	2023
Total greenhouse gas (GHG) emissions (Scope 1 and Scope 2) ²	tons of CO ₂ equivalent	28,510.82	32,517.39 ⁷	35,256.95
Scope 1 greenhouse gas (GHG) emissions	tons of CO ₂ equivalent	2,431.91	3,302.06 ⁸	4,432.24
Scope 2 greenhouse gas (GHG) emissions	tons of CO ₂ equivalent	26,078.91	29,215.33	30,824.71
Total greenhouse gas (GHG) emissions per person (Scope 1 and Scope 2)	tons of CO ₂ equivalent/person	3.07	2.77 ⁹	2.82
Greenhouse gas (GHG) emissions per unit area (Scope 1 and Scope 2)	tons of CO ₂ equivalent/m ²	0.11	0.10	0.09
Scope 3 greenhouse gas (GHG) emissions ³	tons of CO ₂ equivalent	8,798.01	14,925.85	14,838.76
Total natural gas consumption	m ³	578,814.95	891,900.99	1,213,975.00
Natural gas consumption per person	m ³ /person	62.35	75.98	97.02
Natural gas consumption per unit area	m ³ /m ²	2.26	2.69	3.11
Petrol consumption of the Company's vehicles ⁴	liter	433,503.84	514,842.30	677,135.41
Diesel consumption of diesel generators	liter	1,800.00	1,612.00	2,400.00
Total electricity consumption	kWh	44,739,924.00	51,054,290.79	53,814,509.02
Electricity consumption per person	kWh/person	4,819.04	4,349.49	4,300.69
Electricity consumption per unit area	kWh/m ²	175.00	153.85	137.98

Indicator	Unit	2021	2022	2023
Nitrogen oxide emissions ⁵	kg	-	5,526.26	4,972.64
Sulfur oxide emissions ⁶	kg	-	7.57	9.95

Note 1: [Statistical caliber] The figures in 2023 are for headquarters of the parent company of Huatai Securities, Huatai United Securities, Huatai Asset Management, Huatai Financial Holdings (Hong Kong), Huatai Purple Gold Investment, Huatai Innovative Investment, Huatai Futures and Jiangsu Equity Exchange, 28 securities branches and their business departments.

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

Note 3: [Calculation method] Scope 3 greenhouse gas (GHG) emissions is estimated by using calculation method for Greenhouse Gas Protocol (Scope 3); the figures in 2023 and 2022 include emissions from electricity and natural gas consumption by tenants in Huatai Securities Square, emission from traveling by transportation and resting in hotel on business trip by employees of headquarters of the parent company of Huatai Securities, Huatai United Securities, Huatai Asset Management, Huatai Financial Holdings (Hong Kong), Huatai Purple Gold Investment, Huatai Innovative Investment, Huatai Futures and Jiangsu Equity Exchange, 28 securities branches and their business departments. The figures in 2021 include emission from electricity, natural gas and other consumption by tenants in Huatai Securities Square and emission from traveling by air and resting in hotel on business trip by employees of the headquarters of the parent company of Huatai Securities.

Note 4: The data of petrol consumption of the Company's vehicles are estimates.

Notes 5 and 6: [Calculation method] Calculation method of waste gas emissions in 2023 is with reference to How to prepare an ESG Report - Appendix 2: Reporting Guidance on Environmental KPIs (2022) issued by Hong Kong Stock Exchange.

Notes 7, 8 and 9: The figures in 2022 are restated due to adjustments for the calculation of emission factors.

Performance Indicators for Water Resource Consumption¹

Indicator	Unit	2021	2022	2023
Total water consumption	ton	156,261.15	185,256.86	205,584.30
Water consumption per person	ton/person	16.83	15.78	16.43
Water consumption per unit area	ton/m ²	0.61	0.56	0.53

Note 1: [Statistical caliber] Headquarters of the parent company of Huatai Securities, Huatai United Securities, Huatai Asset Management, Huatai Financial Holdings (Hong Kong), Huatai Purple Gold Investment, Huatai Innovative Investment, Huatai Futures and Jiangsu Equity Exchange, 28 securities branches and their business departments.

Performance Indicators for Material Consumption and Waste Production Volume¹

Indicator	Unit	2021	2022	2023
Waste volume of electronics ²	piece ³	11,000	4,749	3,897
Toner ⁴	unit	296	1,223	1,692
Cartridge ⁵	unit	823	3,101	3,479
Discarded fluorescent tube	unit	300	1,817	1,716
Total paper consumption ⁶	package	7,100	21,096	25,707

Note 1: [Statistical caliber] The figures in 2023 and 2022 are for headquarters of the parent company of Huatai Securities, Huatai United Securities, Huatai Asset Management, Huatai Financial Holdings (Hong Kong), Huatai Purple Gold Investment, Huatai Innovative Investment, Huatai Futures and Jiangsu Equity Exchange, 28 securities branches and their business departments. In 2021, the figures are for headquarters of the parent company and branches of Huatai Securities.

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

Note 3: [Unit caliber] In the Company's physical asset management system, UPS storage battery statistics were entered in units of "unit" in earlier stage, and UPS storage battery statistics are entered in units of "group" at present (about 8-32 units for a group), hence, the figures for obsolete UPS storage batteries in 2022 is changed from that of 2021 to "group" as the unit of statistics.

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

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

Anti-corruption-related Performance Indicators

Indicator	Unit	2021	2022	2023
Number of anti-corruption training	time	6	8	8
Number of people participating in anti-corruption training	person	10,787	11,073	12,513
Average anti-corruption training hours per capita of staff	hour	2.00	2.00	2.00

Employee Performance Indicators

Indicator	Unit	2021	2022	2023
Total number of employees ¹	person	14,372	16,799	16,658
By gender	Male	7,959	8,495	8,430
	Female	6,413	6,677	6,739
By employment type ²	Full-time contract employee	11,517	13,365	14,002
	Other employment type	2,855	3,434	2,656
By age	>50	1,045	1,047	1,056
	30-50	8,600	9,103	9,413
	<30	4,727	5,022	4,700
By region	Mainland China	13,086	14,507	14,625
	Hong Kong, Macao, Taiwan and overseas	1,286	2,292	2,033
By education degree	Doctor	140	167	164
	Master	5,080	6,518	7,299
	College	6,927	7,372	6,711
	Technical school and below	1,351	1,115	995

Indicator	Unit	2021	2022	2023
Number of new employees	person	1,512	2,527	1,724
By gender	Male	910	1,429	955
	Female	602	1,098	769
By age	>50	6	5	4
	30-50	621	1,003	578
	<30	885	1,518	1,142
By region	Mainland China	1,442	2,412	1,586
	Hong Kong, Macao, Taiwan and overseas	70	115	138
Graduates	person	478	726	859
Minority ethnic group	person	287	354	391
Handicapped	person	1	0	0
Loss rate of staff ³	%	9.05	6.19	7.38
By gender	Male	9.56	6.22	8.23
	Female	8.42	6.15	6.34
By age	>50	3.43	4.04	2.7
	30-50	8.27	5.64	6.73
	<30	12.17	7.99	9.82

Indicator	Unit	2021	2022	2023	
By region	Mainland China	%	8.47	5.89	7.1
	Hong Kong, Macao, Taiwan and overseas	%	23.60	13.56	13.93
Labor discrimination	case	0	0	0	
Percentage of labor contracts signed	%	100	100	100	
Coverage of social insurance	%	100	100	100	
Female employees taking parental leave	person	257	267	335	
Return rate of female employees taking parental leave ⁴	%	100	100	100	
Male employees taking parental leave	person	-	172	216	
Percentage of male employees in management	%	70.53	69.55	67.84	
Percentage of female employees in management	%	29.47	30.45	32.16	

Note 1: [Statistical caliber] The figures of total number of employees include Huatai Securities, Huatai United Securities, Huatai Asset Management, Huatai Financial Holdings (Hong Kong), AssetMark, Huatai Securities (USA), Huatai Purple Gold Investment, Huatai Innovative Investment, Huatai Futures and Jiangsu Equity Exchange. Due to the internal policies of the company in U.S., the gender, age and education structure exclude U.S. company employees. The rest figures such as number of new employees and loss rate of staff exclude full-time contract employees of AssetMark.

Note 2: The number of employees of the Company in 2021, 2022 and 2023 includes labor dispatch, brokers, etc.

Note 3: [Calculation method] Loss rate of a particular type of staff = loss number of such type of staff during the year / number of such type of staff at the end of the year.

Note 4: [Calculation method] Return rate of female employees taking parental leave = total number of female employees returning to work after parental leave / total number of female employees who should return to work after parental leave.

Employee Health and Safety Performance Indicators¹

Indicator	Unit	2021	2022	2023
Number of employees who die at work	person	0	0	0
Rate of work-related accidents ²	‰	6	5	6
Number of working days lost due to work-related injury	day	127	192	185

Note 1: [Statistical caliber] The figures are for the full-time labor contract employees of Huatai Securities, Huatai United Securities, Huatai Asset Management, Huatai Financial Holdings (Hong Kong), Huatai Securities (USA), Huatai Purple Gold Investment, Huatai Innovative Investment, Huatai Futures and Jiangsu Equity Exchange.

Note 2: [Calculation method] Rate of work-related accidents = number of work-related accidents / total number of employees.

Staff Training Performance Indicators¹

Indicator	Unit	2021	2022	2023
Staff training attendance	person-time	1,396,745	1,374,058	1,386,368
Total expense of staff training	RMB10,000	1,421.24	1,124.00	1,453.19
Coverage ratio of staff training ²	%	100	100	100
By gender	Male	53.52	53.84	53.59
	Female	46.48	46.16	46.41
By staff type ³	Ordinary staff	81.14	79.63	77.90
	Junior management	17.69	19.09	20.89
	Senior and middle management	1.17	1.28	1.21

Indicator	Unit	2021	2022	2023
Average training hours per capita of all staff for each year ⁴	hour	66.80	69.19	70.22
By gender	Male	66.40	68.80	69.90
	Female	67.20	69.50	70.60
By staff type	Ordinary staff	59.00	61.00	61.40
	Junior management	95.00	98.00	98.70
	Senior and middle management	138.00	145.00	146.00

Note 1: [Statistical caliber] The figures in 2023 are for contract employees of Huatai Securities.

Note 2: [Calculation method] Coverage ratio of staff training for each type = number of staff participating training for such type / total number of staff participating training.

Note 3: [Calculation method] Average training hours per capita of each type of staff each year = total training hours for such type of staff / total number of such type of staff.

Suppliers Performance Indicators¹

Indicator	Unit	2021	2022	2023
Number of suppliers in Mainland China	supplier	524	466	464
Number of suppliers from Hong Kong, Macao, Taiwan and overseas	supplier	34	29	28

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

Customer Service Performance Indicators

Indicator	Unit	2021	2022	2023
Number of customer consultation ¹	case	10,338,113	4,881,824	3,894,041
Customer satisfaction surveys conducted ²	time	530,217	308,593	284,475
Customer satisfaction	%	99.57	99.62	99.59
Ratio of manual customer service to total customer service business ³	%	8.31	9.22	9.20
Ratio of online customer service to total customer service business	%	5.58	5.33	5.01
Ratio of smart customer service to total customer service business	%	86.11	85.45	85.79
Number of complaints received regarding products and services ⁴	case	118	106	97
Complaint handling rate	%	100	100	100

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

Note 2: [Statistical caliber] The figures in 2023 are for customer service center.

Note 3: Manual customer service represented telephone customer service.

Note 4: [Statistical caliber]: The figures in 2023 are for customer service center.

Community Investment Performance Indicators

Indicator	Unit	2021	2022	2023
Number of staff participated in volunteering	person-time	308	267	786
Total hours contributed to volunteering by staff	hour	2,812	1,620	2,358
Total external donation investment	RMB10,000	4,600.16	4,282.89	4,456.65

Definitions

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

Terms and expressions	Definitions
CSRC	the China Securities Regulatory Commission (中國證券監督管理委員會)
Investor Protection Bureau of CSRC	Investor Protection Bureau of CSRC (中國證監會投資者保護局)
Shanghai Stock Exchange or SSE	the Shanghai Stock Exchange (上海證券交易所)
Shenzhen Stock Exchange	the Shenzhen Stock Exchange (深圳證券交易所)
Hong Kong Stock Exchange	the Stock Exchange of Hong Kong Limited (香港聯合交易所有限公司)
London Stock Exchange or LSE	the London Stock Exchange plc (倫敦證券交易所)
Huatai Securities, Company or Parent Company	Huatai Securities Co., Ltd. (華泰證券股份有限公司)
Group, Our Group, we or us	the Company and its subsidiaries
Huatai United Securities	Huatai United Securities Co., Ltd. (華泰聯合證券有限責任公司), a holding subsidiary of the Company
Huatai Asset Management	Huatai Securities (Shanghai) Asset Management Co., Ltd. (華泰證券(上海)資產管理有限公司), a wholly-owned subsidiary of the Company
Huatai International	Huatai International Financial Holdings Company Limited (華泰國際金融控股有限公司), a wholly-owned subsidiary of the Company
Huatai Purple Gold Investment	Huatai Purple Gold Investment Co., Ltd. (華泰紫金投資有限責任公司), a wholly-owned subsidiary of the Company
Huatai Innovative Investment	Huatai Innovative Investment Co., Ltd. (華泰創新投資有限公司), a wholly-owned subsidiary of the Company
Huatai Futures	Huatai Futures Co., Ltd. (華泰期貨有限公司), a wholly-owned subsidiary of the Company
Jiangsu Equity Exchange	Jiangsu Equity Exchange Co., Ltd. (江蘇股權交易中心有限責任公司), a holding subsidiary of the Company
China Southern Asset Management	China Southern Asset Management Co., Ltd. (南方基金管理股份有限公司)
Huatai-PineBridge	Huatai-PineBridge Fund Management Co., Ltd. (華泰柏瑞基金管理有限公司)

Terms and expressions	Definitions
Huatai Financial Holdings (Hong Kong)	Huatai Financial Holdings (Hong Kong) Limited (華泰金融控股 (香港) 有限公司), a wholly-owned subsidiary of Huatai International
AssetMark	AssetMark Financial Holdings, Inc., a holding subsidiary of Huatai International
Huatai Securities (USA)	Huatai Securities (USA), Inc. (華泰證券 (美國) 有限公司), a wholly-owned subsidiary of Huatai International
Singapore Subsidiary	Huatai Securities (Singapore) Pte. Limited, a wholly-owned subsidiary of Huatai International
A Share(s)	domestic share(s) in the share capital of the Company with nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange and traded in RMB
H Share(s)	foreign share(s) in the share capital of the Company with nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in HK dollars
GDR	Global Depository Receipts
CSR	Corporate Social Responsibility
ESG	Environmental, Social and Corporate Governance
IPO	Initial Public Offering
DevSecOps	Development, Security and Operations
FICC	Fixed Income, Currency and Commodities
CAMS	Credit Analysis and Management System
Reporting Period	the year of 2023

Report index

Index of the Guidelines of Self-regulation of Companies Listed on Shanghai Stock Exchange No. 1 – Standard Operation (《上海證券交易所上市公司自律監管指引第 1 號 – 規範運作》) issued by the Shanghai Stock Exchange

Guidelines of Self-regulation of Companies Listed on Shanghai Stock Exchange No. 1 – Standard Operation	Section Index
8.1	1. Continuously Deepening ESG Governance 2. Actively Supporting National Strategies 3. Promoting Green Development through Innovation 4. Effectively Fulfilling Social Responsibility 5. Safeguarding Product Service Responsibility 6. Growing Together with Employees 7. Implementing the Concept of Modern Governance
8.2	7. Implementing the Concept of Modern Governance
8.3	Environmental, Social and Corporate Governance (ESG) Statement by the Board 1. Continuously Deepening ESG Governance 3. Promoting Green Development through Innovation 4. Effectively Fulfilling Social Responsibility 6. Growing Together with Employees
8.4	Key Quantitative Performance Indicators
8.5	Meet the Requirements

Guidelines of Self-regulation of Companies Listed on Shanghai Stock Exchange No. 1 – Standard Operation	Section Index
8.6	1. Continuously Deepening ESG Governance 2. Actively Supporting National Strategies 3. Promoting Green Development through Innovation 4. Effectively Fulfilling Social Responsibility 6. Growing Together with Employees 7. Implementing the Concept of Modern Governance
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8.10	4. Effectively Fulfilling Social Responsibility
8.11	3. Promoting Green Development through Innovation 4. Effectively Fulfilling Social Responsibility
8.12	Not Applicable
8.13	Not Applicable
8.14	6. Growing Together with Employees
8.15	Meet the Requirements

Index of Environmental, Social and Governance Reporting Guide on Hong Kong Stock Exchange

Aspects, General Disclosures and KPIs	Description	Sections
Aspect A1: Emissions		
General Disclosure	Information on: the policies; and compliance with relevant laws and regulations that have a significant impact air ¹ and greenhouse gas emissions ² , discharges into water and land, and generation of hazardous and non-hazardous waste ³ .	3.1 Responding to Climate Change 3.3 Practicing Green Operation
KPI A1.1	The types of emissions and respective emissions data.	Key Quantitative Performance Indicators
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tons) and, where appropriate, intensity (e.g. per unit of production, per facility).	Key Quantitative Performance Indicators
KPI A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production, per facility).	Key Quantitative Performance Indicators
KPI A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production, per facility).	Key Quantitative Performance Indicators
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	3.1 Responding to Climate Change
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	3.3 Practicing Green Operation
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficiency use of resource ⁴ , including energy, water and other raw materials.	3.1 Responding to Climate Change 3.3 Practicing Green Operation
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production, per facility).	Key Quantitative Performance Indicators
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production, per facility).	Key Quantitative Performance Indicators

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

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

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

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

Aspects, General Disclosures and KPIs	Description	Sections
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Key Quantitative Performance Indicators
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Key Quantitative Performance Indicators
KPI A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	The Company's products are financial products which are not applicable for this indicator
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	3.1 Responding to Climate Change 3.3 Practicing Green Operation
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	3.1 Responding to Climate Change 3.3 Practicing Green Operation
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	3.1 Responding to Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	3.1 Responding to Climate Change
Employment and Labor Practices		
Aspect B1: Employment		
General Disclosure	Information on: the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	6.1 Protecting the Rights and Interests of Employees 6.2 Empowering the Development of Employees 6.3 Motivating Employees
KPI B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Key Quantitative Performance Indicators
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Key Quantitative Performance Indicators

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

Aspects, General Disclosures and KPIs	Description	Sections
Aspect B2: Health and Safety		
General Disclosure	Information on: the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	6.1 Protecting the Rights and Interests of Employees 6.3 Motivating Employees
KPI B2.1	The number and rate of work-related fatalities over each of the past three years (including the reporting year).	Key Quantitative Performance Indicators
KPI B2.2	Lost working days due to work injury.	Key Quantitative Performance Indicators
KPI B2.3	Description of occupational health and safety measures adopted and how they are implemented and monitored.	6.1 Protecting the Rights and Interests of Employees
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work Description of training activities.	6.2 Empowering the Development of Employees
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Key Quantitative Performance Indicators
KPI B3.2	The average training hours completed per employee by gender and employee category.	Key Quantitative Performance Indicators
Aspect B4: Labor Standards		
General Disclosure	Information on: the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced Labor.	6.1 Protecting the Rights and Interests of Employees
KPI B4.1	Description of measures to review employment practices to avoid child and forced Labor.	6.1 Protecting the Rights and Interests of Employees
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	6.1 Protecting the Rights and Interests of Employees
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	7.3 Strengthening Compliance Operation
KPI B5.1	Number of suppliers by geographical region.	Key Quantitative Performance Indicators

Aspects, General Disclosures and KPIs	Description	Sections
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	7.3 Strengthening Compliance Operation
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	7.3 Strengthening Compliance Operation
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	7.3 Strengthening Compliance Operation
Aspect B6: Product Responsibility		
General Disclosure	Information on: the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters of products and services provided and methods of redress.	5.1 Accelerating Digital Transformation 5.2 Information Security and Privacy Protection 7.3 Strengthening Compliance Operation
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The Company's products are financial products which are not applicable for this indicator
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	5.1 Accelerating Digital Transformation 5.2 Information Security and Privacy Protection 5.3 Protecting the Rights and Interests of Customers 7.3 Strengthening Compliance Operation Key Quantitative Performance Indicators
KPI B6.3	Description of practices relating to maintenance and protecting intellectual property rights.	7.3 Strengthening Compliance Operation
KPI B6.4	Description of quality assurance process and recall procedures.	The Company's products are financial products which are not applicable for this indicator
KPI B6.5	Description of consumer data protection and privacy policies and how they are implemented and monitored.	5.1 Accelerating Digital Transformation 5.2 Information Security and Privacy Protection 5.3 Protecting the Rights and Interests of Customers

Aspects, General Disclosures and KPIs	Description	Sections
Aspect B7: Anti-corruption		
General Disclosure	Information on: the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	7.3 Strengthening Compliance Operation
KPI B7.1	Number of corruption lawsuits filed and concluded against issuers or their employees during the reporting period and litigation outcome.	7.3 Strengthening Compliance Operation
KPI B7.2	Description of preventive measures and reporting procedures, as well as related implementation and monitoring methods.	7.3 Strengthening Compliance Operation
KPI B7.3	Description of anti-corruption training provided to directors and staff.	7.3 Strengthening Compliance Operation
Community		
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	3.4 Protecting Biodiversity 4.1 Promoting Rural Revitalization 4.2 Huatai Foundation
KPI B8.1	Focus on areas of contribution (e.g. education, environmental issues, labor needs, health, culture, sports).	3.4 Protecting Biodiversity 4.1 Promoting Rural Revitalization 4.2 Huatai Foundation
KPI B8.2	Use of resources (e.g. money or time) in the area of focus.	Key Quantitative Performance Indicators

GRI Standards Index (2021) issued by Global Reporting Initiative

Statement of Use	Huatai Securities Co., Ltd. has reported the information cited in this GRI content index from January 1, 2023 to December 31, 2023 with reference to the GRI Standards.
GRI 1 Used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Location
GRI 2 General Disclosure 2021		
The Organizations and Its Reporting Practices		
2-1	Organization details	About This Report About Huatai Securities
2-2	Entities included in the organization's sustainability reporting	About Huatai Securities
2-3	Reporting period, frequency and contact point	About This Report
2-4	Restatements of information	Key Quantitative Performance Indicators
2-5	External assurance	Independent Assurance Statement
Activities and workers		
2-6	Activities, value chain and other business relationships	About Huatai Securities
2-7	Employees	Key Quantitative Performance Indicators
2-8	Workers who are not employees	Key Quantitative Performance Indicators
Governance		
2-9	Governance structure and composition	About Huatai Securities 1.2 Improving ESG Management 7.2 Improving Corporate Governance Please refer to the 2023 Annual Report of the Company
2-10	Nomination and selection of the highest governance body	1.2 Improving ESG Management 7.2 Improving Corporate Governance
2-11	Chair of the highest governance body	1.2 Improving ESG Management 7.2 Improving Corporate Governance
2-12	Role of the highest governance body in overseeing the management of impacts	1.2 Strengthening ESG Management Mechanism 7.2 Improving Corporate Governance Please refer to the 2023 Annual Report of the Company

GRI Standard	Disclosure	Location
2-13	Delegation of responsibility for managing impacts	1.2 Strengthening ESG Management Mechanism 1.6 Analysis of Material Topics 7.2 Improving Corporate Governance
2-14	Role of the highest governance body in sustainability reporting	Environmental, Social and Corporate Governance (ESG) Statement by the Board 1.2 Improving ESG Management
2-15	Conflicts of interest	7.2 Improving Corporate Governance 7.3 Strengthening Compliance Operation
2-16	Communication of critical concerns	1.2 Improving ESG Management 1.5 Communications with the Stakeholders 1.6 Analysis of Material Topics
2-17	Collective knowledge of the highest governance body	1.2 Improving ESG Management 1.5 Communications with the Stakeholders 1.6 Analysis of Material Topics
2-18	Evaluation of the performance of the highest governance body	Please refer to the 2023 Annual Report of the Company
2-19	Remuneration policy	6.3 Motivating Employees 7.2 Improving Corporate Governance Please refer to the 2023 Annual Report of the Company
2-20	Process to determine remuneration	6.3 Motivating Employees 7.2 Improving Corporate Governance Please refer to the 2023 Annual Report of the Company
2-21	Annual total compensation ratio	Please refer to the 2023 Annual Report of the Company
Strategy, Policy and Practices		
2-22	Statement on sustainable development strategy	Environmental, Social and Corporate Governance (ESG) Statement by the Board 1.1 Deepening the ESG Concept 1.2 Improving ESG Management
2-23	Policy commitments	Environmental, Social and Corporate Governance (ESG) Statement by the Board 1.2 Improving ESG Management
2-24	Embedding policy commitments	Environmental, Social and Corporate Governance (ESG) Statement by the Board 1.2 Improving ESG Management 1.4 Practicing the Concept of Responsible Investment 3.4 Development of Green Finance
2-25	Processes to remediate negative impacts	5.3 Protecting the Rights and Interests of Customers 7.3 Strengthening Compliance Operation

GRI Standard	Disclosure	Location
2-26	Mechanism for seeking advice and raising concerns	1.5 Communications with the Stakeholders
2-27	Compliance with laws and regulations	3.3 Practicing Green Operation 5.2 Information Security and Privacy Protection 5.3 Protecting the Rights and Interests of Customers 6.1 Protecting the Rights and Interests of Employees 7.2 Improving Corporate Governance 7.3.3 Upholding Business Ethics
2-28	Membership associations	Honors and Recognitions
Stakeholder Involvement		
2-29	Approach to stakeholder engagement	1.5 Communications with the Stakeholders
2-30	Collective bargaining agreements	No relevant disclosure information
GRI 3 Material Topics 2021		
3-1	Process to determine material topics	1.6 Analysis of Material Topics
3-2	List of material topics	1.6 Analysis of Material Topics
3-3	Management of material topics	1.2 Improving ESG Management 1.6 Analysis of Material Topics
GRI 201 Economic Performance 2016		
201-1	Direct economic value generated and distributed	About Huatai Securities Key Quantitative Performance Indicators
201-2	Financial implications and other risks and opportunities due to climate change	3.1 Responding to Climate Change
201-3	Defined benefit plan obligations and other retirement plans	Please refer to the 2023 Annual Report of the Company
201-4	Financial assistance received from government	Please refer to the 2023 Annual Report of the Company
GRI 202 Market Presence 2016		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	No relevant disclosure information
202-2	Proportion of senior management hired from the local community	No relevant disclosure information
GRI 203 Indirect Economic Impact 2016		
203-1	Infrastructure investments and services supported	2.1 Serving the High-quality Development of Real Economies 2.2 Facilitating Regional Coordinated Development 4.1 Promoting Rural Revitalization

GRI Standard	Disclosure	Location
203-2	Significant indirect economic impacts	5.3 Protecting the Rights and Interests of Customers
GRI 204 Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	Key Quantitative Performance Indicators
GRI 205 Anti-Corruption 2016		
205-1	Operations assessed for risks related to corruption	7.3 Strengthening Compliance Operation
205-2	Communication and training about anti-corruption policies and procedures	7.3 Strengthening Compliance Operation
205-3	Confirmed incidents of corruption and actions taken	7.3 Strengthening Compliance Operation Key Quantitative Performance Indicators
GRI 206 Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No relevant disclosure information
GRI 207 Tax 2019		
207-1	Approach to tax	Please refer to the 2023 Annual Report of the Company
207-2	Tax governance, control and risk management	Please refer to the 2023 Annual Report of the Company
207-3	Stakeholder engagement and management of concerns related to tax	Please refer to the 2023 Annual Report of the Company
207-4	Country-by-country reporting	No relevant disclosure information
GRI 301 Materials 2016		
301-1	Materials used by weight or volume	Key Quantitative Performance Indicators
301-2	Recycled input materials used	The Company's products are financial products which are not applicable for this indicator
301-3	Reclaimed products and their packaging materials	The Company's products are financial products which are not applicable for this indicator
GRI 302 Energy 2016		
302-1	Energy consumption within the organization	Key Quantitative Performance Indicators
302-2	Energy consumption outside the organization	Key Quantitative Performance Indicators
302-3	Energy intensity	Key Quantitative Performance Indicators
302-4	Reduction of energy consumption	3.3 Practicing Green Operation
302-5	Reductions in energy requirements of products and services	No relevant disclosure information

GRI Standard	Disclosure	Location
GRI 303 Water and Effluents 2018		
303-1	Interactions with water as a shared resource	3.3 Practicing Green Operation
303-2	Management of water discharge-related impacts	3.3 Practicing Green Operation
303-3	Water withdrawal	Key Quantitative Performance Indicators
303-4	Water discharge	No relevant disclosure information
303-5	Water consumption	No relevant disclosure information
GRI 304 Biodiversity 2016		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	No relevant operation sites
304-2	Significant impacts of activities, products and services on biodiversity	3.4 Protecting Biodiversity
304-3	Habitats protected or restored	No relevant disclosure information
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	No relevant disclosure information
GRI 305 Emission 2016		
305-1	Direct (Scope 1) GHG emissions	Key Quantitative Performance Indicators
305-2	Energy indirect (Scope 2) GHG emissions	Key Quantitative Performance Indicators
305-3	Other indirect (Scope 3) GHG emissions	Key Quantitative Performance Indicators
305-4	GHG emissions intensity	Key Quantitative Performance Indicators
305-5	Reduction of GHG emissions	Key Quantitative Performance Indicators
305-6	Emissions of ozone-depleting substances (ODS)	No relevant disclosure information
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Key Quantitative Performance Indicators
GRI 306 Waste 2020		
306-1	Waste generation and significant waste-related impacts	3.3 Practicing Green Operation
306-2	Management of significant waste-related impacts	3.3 Practicing Green Operation
306-3	Waste generated	Key Quantitative Performance Indicators

GRI Standard	Disclosure	Location
306-4	Waste diverted from disposal	No relevant disclosure information
306-5	Waste directed to disposal	No relevant disclosure information
GRI 308 Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	1.2 Improving ESG Management 7.3 Strengthening Compliance Operation
308-2	Negative environmental impacts in the supply chain and actions taken	1.2 Improving ESG Management 7.3 Strengthening Compliance Operation
GRI 401 Employment 2016		
401-1	New employee hires and employee turnover	Key Quantitative Performance Indicators
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	6.1 Protecting the Rights and Interests of Employees 6.3 Motivating Employees
401-3	Parental leave	Key Quantitative Performance Indicators
GRI 402 Labor/Management Relations 2016		
402-1	Minimum notice periods regarding operational changes	No relevant disclosure information
GRI 403 Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	6.1 Protecting the Rights and Interests of Employees 6.3 Motivating Employees 6.4 Enriching Employees' Life
403-2	Hazard identification, risk assessment and incident investigation	No relevant disclosure information
403-3	Occupational health services	6.1 Protecting the Rights and Interests of Employees 6.3 Motivating Employees 6.4 Enriching Employees' Life
403-4	Worker participation, consultation, and communication on occupational health and safety	No relevant disclosure information
403-5	Worker training on occupational health and safety	6.1 Protecting the Rights and Interests of Employees 6.3 Motivating Employees 6.4 Enriching Employees' Life
403-6	Promotion of worker health	6.1 Protecting the Rights and Interests of Employees 6.3 Motivating Employees 6.4 Enriching Employees' Life
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	6.1 Protecting the Rights and Interests of Employees 6.3 Motivating Employees 6.4 Enriching Employees' Life

GRI Standard	Disclosure	Location
403-8	Workers covered by an occupational health and safety management system	No relevant disclosure information
403-9	Work-related injuries	Key Quantitative Performance Indicators
403-10	Work-related ill health	No relevant disclosure information
GRI 404 Training and Education 2016		
404-1	Average hours of training per year per employee	Key Quantitative Performance Indicators
404-2	Programs for upgrading employee skills and transition assistance programs	6.2 Empowering the Development of Employees
404-3	Percentage of employees receiving regular performance and career development reviews	6.2 Empowering the Development of Employees 6.3 Motivating Employees
GRI 405 Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	6.1 Protecting the Rights and Interests of Employees Key Quantitative Performance Indicators
405-2	Ratio of basic salary and remuneration of women to men	Confidentiality restrictions
GRI 406 Non-Discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	6.1 Protecting the Rights and Interests of Employees Key Quantitative Performance Indicators
GRI 407 Freedom of Association and Collective Bargaining 2016		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	6.1 Protecting the Rights and Interests of Employees
GRI 408 Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	6.1 Protecting the Rights and Interests of Employees
GRI 409 Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	6.1 Protecting the Rights and Interests of Employees
GRI 410 Security Practices 2016		
410-1	Security personnel trained in human rights policies or procedures	No relevant disclosure information

GRI Standard	Disclosure	Location
GRI 411 Rights of Indigenous Peoples 2016		
411-1	Incidents of violations involving rights of indigenous peoples	No relevant disclosure information
GRI 413 Local Communities 2016		
413-1	Operations with local community engagement, impact assessment, and development plans	4.1 Promoting Rural Revitalization 4.2 Huatai Foundation 5.3 Protecting the Rights and Interests of Customers 5.4 Strengthening Investor Protection
413-2	Operations with significant actual and potential negative impacts on local communities	No relevant operation sites
GRI 414 Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	1.2 Improving ESG Management 7.3 Strengthening Compliance Operation
414-2	Negative social impacts in the supply chain and actions taken	1.2 Improving ESG Management 7.3 Strengthening Compliance Operation
GRI 415 Public Policy 2016		
415-1	Political contributions	Nil
GRI 416 Customer Health and Safety 2016		
416-1	Assessment of health and safety impacts of product and service categories	The Company's products are financial products which are not applicable for this indicator
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	7.3 Strengthening Compliance Operation
GRI 417 Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	7.3 Strengthening Compliance Operation
417-2	Incidents of non-compliance concerning product and service information and labeling	No relevant disclosure information
417-3	Incidents of non-compliance concerning marketing communications	No relevant disclosure information
GRI 418 Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	5.2 Information Security and Privacy Protection



ASSURANCE STATEMENT

SGS-CSTC'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE HUATAI SECURITIES CO., LTD. 2023 CORPORATE SOCIAL RESPONSIBILITY REPORT

NATURE OF THE ASSURANCE/VERIFICATION

SGS-CSTC STANDARDS TECHNICAL SERVICES CO., LTD. (hereinafter referred to as SGS) was commissioned by Huatai Securities Co., Ltd. (hereinafter referred to as Huatai Securities) to conduct an independent assurance of the *Huatai Securities Co., Ltd. 2023 Corporate Social Responsibility Report*.

INTENDED USERS OF THIS ASSURANCE STATEMENT

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

RESPONSIBILITIES

The information in the report and its presentation are the responsibility of the board of directors and the ESG Committee. SGS has not been involved in the preparation of any of the material included in the report.

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

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

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

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

Assurance Standard Options		Level of Assurance
A	SGS ESG & SRA Assurance Protocols (based on GRI principles and guidance in AA1000)	Moderate

SCOPE OF ASSURANCE AND REPORTING CRITERIA

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

Reporting Criteria Options	
1	Appendix C2 to the Listing Rules of HKEX –HKEX Environmental, Social and Governance (ESG) Reporting Guide (effective from 31 December 2023)
2	Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 - Standardized Operation
3	GRI 2021 (Reference)

ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, interviews with relevant employees located at Huatai Securities' Headquarters, Huatai Securities Plaza, No.228 Middle Jiangdong Road, Nanjing City, Jiangsu Province, P. R. China.

LIMITATIONS AND MITIGATION

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

The carbon emission data are checked by a third party or calculated by themselves without third party verification. In this verification is only sampling.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in multiple countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from Huatai Securities Co., Ltd., being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with CCAA registered ISO 9001 \ ISO 14001\ISO 45001 management system auditor, CSR report lead assessor.

FINDINGS AND CONCLUSIONS**ASSURANCE/VERIFICATION OPINION**

On the basis of the methodology described and the verification work performed, the specified performance information included in the *Huatai Securities Co., Ltd 2023 Corporate Social Responsibility Report* is accurate, reliable, and provide a fair and pertinent statement of the sustainable development activities of Huatai Securities Co., Ltd. for the period from 1 January 2023 to 31 December 2023.

In SGS opinion , the *Huatai Securities Co., Ltd 2023 Corporate Social Responsibility Report* is presented in accordance with the reporting principles, mandatory disclosure requirements and the KPIs disclosures of Appendix C2 to the Listing Rules of HKEX –HKEX Environmental, Social and Governance (ESG) Reporting Guide (effective from 31 December 2023)

REPORT RULES**Materiality**

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

Quantitative

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

Balance

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

Consistency

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

FINDINGS AND RECOMMENDATIONS

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

Signed:



For and on behalf of SGS-CSTC

David Xin

Sr. Director – Business Assurance

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

March 15th, 2024

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