



海通恆信國際融資租賃股份有限公司

Haitong Unitrust International Financial Leasing Co., Ltd.
(A joint stock company incorporated in the People's Republic of China with limited liability)
Stock Code: 1905



2023 Environmental, Social and Governance Report



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About the Report

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

• REPORTING STANDARDS

This report is prepared based on the *Environmental, Social and Governance Reporting Guide* (version effective from December 31, 2023) set out in Appendix C2 to the Listing Rules issued by The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) and the *Environmental, Social, and Governance (ESG) Indicator System for State-Owned Listed Companies in Shanghai (Version 1.0)* issued by the Shanghai State-owned Assets Supervision and Administration Commission (the “Shanghai SASAC”), with reference to the *International Financial Reporting Sustainability Disclosure Standard No. 2 – Climate Related Disclosures* (IFRS S2) issued by the International Sustainability Standards Board (ISSB).

• REPORTING PRINCIPLES

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

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

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

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

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

• REPORTING LANGUAGES

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

• REPORTING SCOPE

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

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

Reporting period: From January 1, 2023 to December 31, 2023.

Issuing cycle: This report is issued annually.

• DATA DESCRIPTION

The data and cases in this report are derived from the original records or financial reports on the actual operation of the Company. The financial figures in this report are presented in RMB. In case of any inconsistency between this report and the annual financial report, the annual financial report shall prevail. Based on the search results in environmental databases of EPMAP, in 2023, there were no negative environmental records related to the Company and its subsidiaries covered in this report.

• RELIABILITY ASSURANCE

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

ESG Management Statement of the Board

The year 2023 was a critical year for China's "14th Five-Year Plan", and also a year of opportunity for the high-quality transformation of the financial leasing industry. The Company fully acknowledges that sustainable development is essential for achieving truly high-quality growth. With "Long-lasting: sustainable business", "Harmony: responsible citizen" and "Trust: stable operation" as the three pillars of sustainable development, we integrate and gather momentum and strive to create value with all key stakeholders by publishing sustainable development concepts, consolidating ESG governance structure, and formulating a sustainable development plan.

Publishing sustainable development concepts. In 2023, based on our vision and mission, the Company formulated and published the sustainable development concepts of "Long-lasting Mutual Trust Brings Together the Future" (恆久互信 · 融聚未來), and built a sustainable development model with it at the core, promoting the sustainable development of the Company's operations through comprehensive ESG management.

Consolidating ESG governance structure. ESG governance is the foundation for sustainable development. The Company has established a top-down ESG governance structure to provide strong support for ESG work. In 2023, the Company's ESG leading group and working group, under the continuous guidance and supervision of the Board and the Environmental, Social, and Governance Committee (the "ESG Committee"), further clarified the division of responsibilities and improved the coordinated advancement of ESG work.

Formulating a sustainable development plan. In 2023, the Company thoroughly examined the ESG risks and opportunities in strategic development and formulated its first sustainable development plan, the *Haitong Unitrust Sustainable Development Plan 2023–2026*, which serves as a blueprint for the Company's sustainable development, and actively promoted sustainable development and ESG efforts. The Company aspires to use itself as a medium to improve its corporate governance and promote sustainable environmental and social growth.

In terms of material topics management, the Company launched the "Year of Consolidating the Culture of Compliance and Internal Control" (合規內控文化鞏固年) event to improve its comprehensive risk management system in 2023. The Company adhered to the bottom line of compliance and risk prevention, and actively took measures to improve management of topics such as "information security and customer privacy protection", and "human capital development". The Company remains committed to its initial mission of "serving the real economy" and focuses on "green leasing". It continues to foster the development of a green industrial ecosystem, with a focus on new energy, sewage treatment, solid waste treatment, sanitation integration, and other sectors, in order to promote industrial transformation. The Company's case of "*Guiding Green Development and Financially Empowering Emission Peak and Carbon Neutrality Goals*" has been selected for inclusion in the *Social Responsibility (ESG) Blue Book for Enterprises Supervised by Shanghai State-owned Assets Supervision and Administration Commission* in 2023.

Spring is in sight, and the future is promising. The Company will continue to implement the spirit of the 20th National Congress of the Party, keep in mind its mission of "integrating everything to assist industries, and empowering the building of a better society in the future", and continue to carry forward the corporate spirit of "proactively striving for excellence". With the ESG management as its practice path, the Company will work with all stakeholders, focus its efforts, and strive to build a benchmark financial leasing company in China that leads the industry's new pattern, contributing its power to the comprehensive advancement of Chinese-style modernization and China's strong growth.

Sustainable Development Progress of Haitong Unitrust in 2023

HAITONG UNITRUST SUSTAINABLE DEVELOPMENT PLAN 2023–2026

In light of the opportunities and challenges, the Company has formulated the Haitong Unitrust Sustainable Development Plan 2023–2026, incorporating the concept of sustainable development into its development strategy. The Company will seize the opportunities arising from China’s economic transformation with “Long-lasting: sustainable business”, stimulate the internal driving forces for corporate development with “Harmony: stable operation” and “Trust: responsible citizen”, actively respond to the opportunities and challenges in the wave of economic transformation, so as to truly form core competitiveness for the future.

Pillars	Key monitoring indicators	Quantitative targets
Long-lasting: sustainable business	Percentage of green leasing business investment	Percentage of new green leasing business investment in 2026
	Percentage of electronic contract customers	Percentage of electronic contract customers in 2026
	Annual coverage of ESG risk training for employees in risk management-related departments	Annual coverage of ESG risk management training for employees in risk management-related departments for 2023–2026
	ESG risk management system business coverage	ESG risk management system business coverage in 2026
Harmony: stable operation	Number of female employees	Continuous promotion of employee diversity in terms of gender, education, age, etc.
	Number of male employees	
	Total expenses for employee training	Percentage increase in total employee training expenses in 2026 over the base year
	Coverage of employee training	Annual coverage of employee training for 2023–2026
	Attendance rate of Board members	Annual attendance rate of Directors for Board meetings for 2023–2026
	Coverage of ESG training for Directors and senior management	Annual coverage of ESG training for Directors and senior management in 2026
	Coverage of anti-corruption and bribery training for Directors and senior management	Annual coverage of anti-corruption and bribery training for Directors and senior management for 2023–2026
	Number of anti-corruption and bribery training sessions for employees	Total number of anti-corruption and bribery training sessions for employees for 2023–2026
Trust: responsible citizen	Number of compliance training sessions	Total number of compliance training sessions organized and conducted by the Company and various units per year for 2023–2026
	Total greenhouse gas emissions (scope 1 and scope 2)	Achieving carbon neutrality at the operational level in 2030
	Power consumption per unit area	Power consumption per unit area controlled at not higher than 90.61 kWh/m ² in 2025
	Greenhouse gas emissions per unit area (scope 1 and scope 2)	Greenhouse gas emissions per unit area controlled at not higher than 0.07 tons of CO ₂ equivalent/m ² in 2025
	Water consumption per unit area	Water consumption per unit area in 2025 will decrease by 11% from 2021

Sustainable Development Progress of Haitong Unitrust in 2023

AWARDS AND RECOGNITIONS

In 2023, Haitong Unitrust exhibited outstanding performance in implementing sustainable development and ESG management, and gained numerous recognitions by the industry and the capital market. With growing brand influence and competitiveness, the Company has achieved co-creation and shared value between the Company and society, as well as steady progress toward high-quality and sustainable development.


Awards and Recognitions of Haitong Unitrust in 2023

Award	Picture
<p>Global Leasing Industry Competitiveness Forum</p> <p>2023 (6th) China Financial Leasing Outstanding Achievement Award</p> <p>Title of “Leading Enterprise in Serving the Real Economy”</p>	
<p>The First Leasing Industry Investment and Financing Summit (2023) & Shanghai Financial Leasing Industry 2022 Innovative Financing Award “Golden Spring Awards” ceremony</p> <p>Awards including “Annual Best ESG Financing Award”</p>	
<p>2023 Green Heavy Truck Annual Excellent Financial Service Provider Award, Annual Most Valuable Brand Award</p>	
<p>Jointly issued by China Centre for Anti-Money Laundering Studies Fudan University and the Lujiazui Financial Security Institute, etc.</p> <p>2023 Kaimao Compliance Culture Construction Award</p>	

1. Sustainable Development Management System

1.1 SUSTAINABLE DEVELOPMENT CONCEPTS

Haitong Unitrust extended its mission and vision, formulated the sustainable development concepts of “Long-lasting Mutual Trust Brings Together the Future” in 2023, and published the Haitong Unitrust Sustainable Development Model from the perspective of stakeholders. Haitong Unitrust is committed to providing innovative, customized, and comprehensive financial services, collaborating and creating value with key stakeholders including shareholders and partners, customers, employees, community and the environment, the government, and regulators.

 **Mission:** Integrating everything to assist industries and empowering the building of a better society in the future

 **Vision:** Leading the new industry landscape and building a benchmark financial leasing company in China



Haitong Unitrust Sustainable Development Model

Long-lasting: sustainable business is the foundation, further supporting strategic emerging industries represented by green “emission peak and carbon neutrality” and digital economy with professional financial leasing capabilities;

Harmony: stable operation is the guarantee. Only through effective corporate governance and emphasis on talent development can the Company go further and last longer;

Trust: responsible citizen means to take responsibilities, taking initiatives to serve China’s strategies of poverty alleviation and rural revitalization while continuously releasing positive corporate energy.

1. Sustainable Development Management System

1.2 ESG MANAGEMENT

Haitong Unitrust is committed to advancing its sustainable operations through comprehensive ESG management. It has established a top-down ESG governance structure, with the Board participating in the review and decision-making of major ESG topics, supervising the ESG work, and assuming overall responsibilities. The Board has established the ESG Committee under the Board to guide and supervise ESG work under its authorization, as well as to promote the effective implementation of ESG management through high-level attention and full employee engagement.

ESG Governance Structure of Haitong Unitrust

The Board

Supervising ESG work and assuming overall responsibilities for the ESG work

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

ESG Committee

Guiding and supervising ESG work under the authorization of the Board

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

ESG Leading Group

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

ESG Working Group

Implementing the ESG work

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

1. Sustainable Development Management System

The Board fully performed its duties of considering, decision-making and supervising on ESG topics. In 2023, the Company held 10 Board meetings to consider and approve proposals related to the corporate governance, information disclosure, risk management, compliance operation and green finance, as well as other ESG topics. The Company held one ESG Committee meeting to consider and approve the ESG Report for 2022.

ESG Topics Considered by the Board of Haitong Unitrust in 2023

ESG topics	Proposal
Corporate governance	<ul style="list-style-type: none">• Resolutions on the general election of the Board, change of authorized representative, and change of joint company secretaries• Annual work reports of the Board and general manager• Amendments to the rules of procedure for professional committees under the Board
Information disclosure	<ul style="list-style-type: none">• Annual report for 2022• ESG Report for 2022, covering topics such as climate change mitigation and adaptation, employee development and training, customer services, and communication
Risk management	<ul style="list-style-type: none">• Resolutions on the amendments to the <i>Comprehensive Risk Management Measures</i> (《全面風險管理辦法》) and the risk evaluation report for 2022, to oversee the establishment, implementation and operation of the risk management system
Compliance operation	<ul style="list-style-type: none">• The appointment of compliance director and the Compliance Report for 2022, to supervise the compliance operation of the Company
Green finance	<ul style="list-style-type: none">• The establishment of the Green Energy Business Department to guide the development of green leasing business in new directions

1. Sustainable Development Management System

In 2023, the Company continued to encourage employees to participate in the application of sustainable development concepts, and promoted the sustainable development and systematic and scientific ESG work in three areas: action planning, case collection, and training and publicity.

Implementation of the Sustainable Development Concepts of Haitong Unitrust in 2023

Action planning	<ul style="list-style-type: none">• Developed and published the Company's sustainable development concepts and sustainable development model• Promoted the demonstration and formulation of the <i>Haitong Unitrust Sustainable Development Plan 2023–2026</i>
Case collection	<ul style="list-style-type: none">• Collected ESG case information on a regular basis, and compiled ESG project cases for 2023• The Case of "<i>Guiding Green Development and Financially Empowering Emission Peak and Carbon Neutrality Goals</i>" has been selected for inclusion in the <i>Social Responsibility (ESG) Blue Book for Enterprises Supervised by Shanghai State-owned Assets Supervision and Administration Commission</i>
Training and publicity	<ul style="list-style-type: none">• Produced ESG promotional materials after the publication of the ESG Report for 2022 to increase internal and external stakeholders' understanding of the Company's sustainability management• Conducted ESG risk management training

1.3 COMMUNICATION WITH STAKEHOLDERS

The trust and support of stakeholders are crucial for the sustainable development of Haitong Unitrust. The Company identifies its shareholders, customers, employees, government and regulators, suppliers and partners, community and environment as its key stakeholders. To gain an in-depth understanding of the opinions and values of various stakeholders, it has established a regular communication mechanism and responded to their demands through appropriate channels to ensure mutual communication.

1. Sustainable Development Management System

Expectations and Responses of Key Stakeholders of Haitong Unitrust

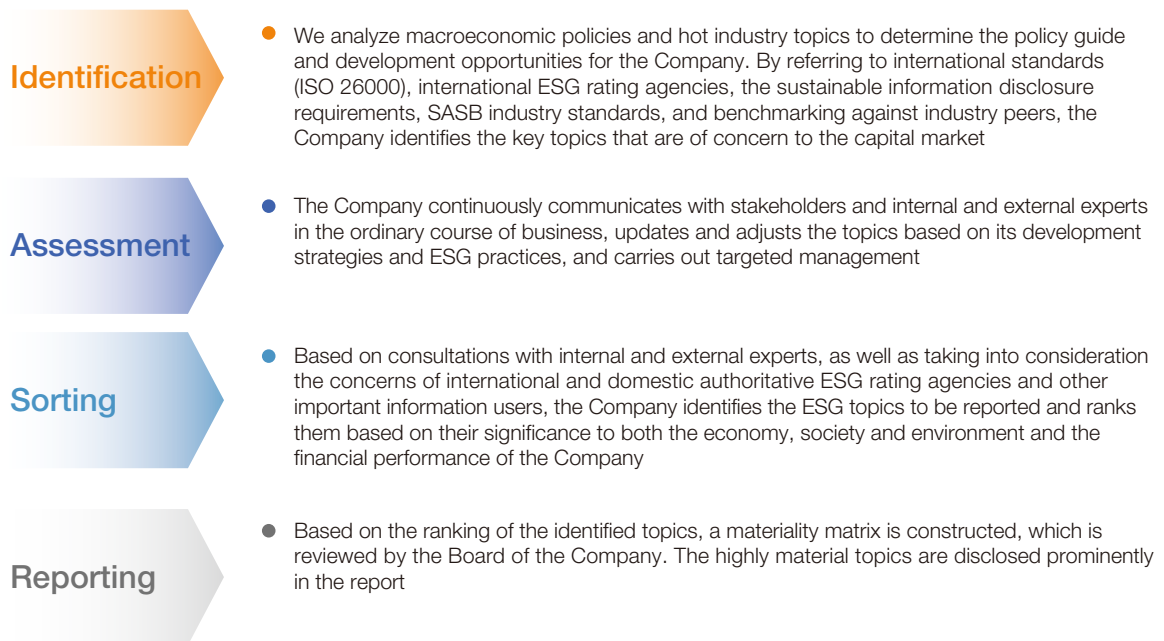
Key stakeholders	Material topics	Communication and responses
Shareholders	Economic performance Corporate governance Compliance operation Risk management Anti-corruption and business ethics	General meetings of shareholders Regular information disclosure Investor communication meetings Compliance management Comprehensive risk management system construction Anti-corruption system construction
Customers	Serving national strategy Financial technology Information security and customer privacy protection Customer services and communication Inclusive finance Responsible marketing	Supporting business related to national strategies Customer service center Customer seminar Customer privacy protection system The Company's official website, official WeChat account and other platforms Online customer acquisition mini-program and electronic contract signing system
Employees	Employee rights and benefits Employee health and safety Human capital development	Employee training system Welfare security system Performance appraisal and promotion
Government and regulators	Compliance operation Risk management Anti-corruption and business ethics Serving national strategy Economic performance	Cooperation in regulators' inspection Comprehensive risk management system construction Complaint and report mechanism construction Supporting business related to national strategies Payment of taxes in accordance with the law
Suppliers and partners	Supplier management Anti-corruption and business ethics	Formulating purchasing management rules Bidding activities Industry cooperation and exchange
Community and environment	Social welfare and rural revitalization Biodiversity conservation Climate change mitigation and adaptation Green finance Green operation Serving national strategy Inclusive finance	Charity activities Volunteer services Carrying out animal protection public welfare outreach activities Identifying and coping with the climate-related risks and opportunities Developing green leasing business Green operation Supporting the real economy such as energy saving and environmental protection industry

1. Sustainable Development Management System

1.4 IDENTIFICATION AND ANALYSIS OF MATERIAL TOPICS

In 2023, Haitong Unitrust identified 20 ESG topics that it needed to pay attention to in line with the *Environmental, Social and Governance Reporting Guide* of the Hong Kong Stock Exchange, the *Environmental, Social, and Governance (ESG) Indicator System for State-Owned Listed Companies in Shanghai (Version 1.0)* issued by Shanghai SASAC and domestic macro-economic and industry policies in the PRC, with reference to international standards such as ISO 26000 and ESG rating requirements. It maintained open lines of communication with stakeholders as well as internal and external expert teams in order to manage topics more effectively.

Analysis Process of Material Topics of Haitong Unitrust

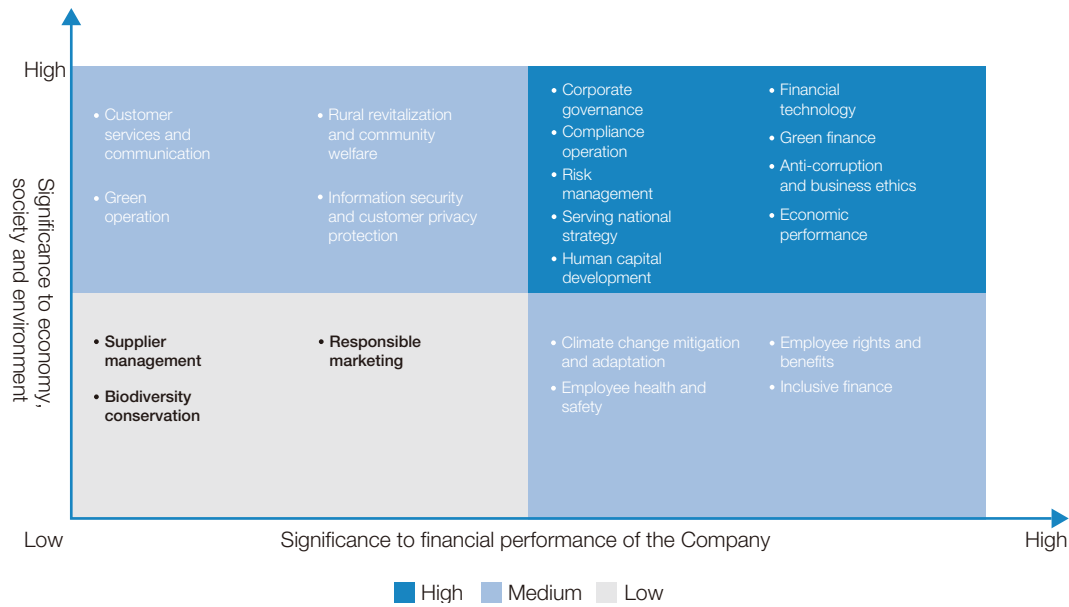


1. Sustainable Development Management System

Main Changes in Material Topics of Haitong Unitrust in 2023

Material topics in 2022	Material topics in 2023	Reason for change
Serving the real economy	Serving national strategy	The topic content was expanded to highlight the Company's main business of serving the strategies of China or Shanghai through financial leasing services
—	Economic performance	New topics have been added to meet the latest regulatory disclosure requirements and to respond to the capital market's key concerns
—	Biodiversity conservation	

Matrix of Material Topics of Haitong Unitrust in 2023



1. Sustainable Development Management System

List of Material Topics of Haitong Unitrust and Corresponding Sections

No.	Name of material topics	Corresponding section
1	Financial technology	Finance Empowered by Technology
2	Green finance	Developing Green Leasing
3	Corporate governance	Improving Corporate Governance
4	Risk management	Risk and Compliance Management
5	Compliance operation	Risk and Compliance Management
6	Anti-corruption and business ethics	Adhering to Business Ethics
7	Serving national strategy	Supporting Public Service Facilities Construction Supporting Advanced Manufacturing Industry Serving Coordinated Regional Development
8	Human capital development	Supporting the Development of Employees
9	Economic performance	ESG Data Performance Tables. For more details, please refer to the 2023 Annual Report
10	Climate change mitigation and adaptation	Climate Change Management
11	Inclusive finance	Promoting Inclusive Finance
12	Customer services and communication	Improving Customer Service Quality
13	Information security and customer privacy protection	Strengthening Data Governance and Security
14	Employee rights and benefits	Protecting the Rights of Employees Deepening Employee Care
15	Employee health and safety	Protecting the Rights of Employees
16	Green operation	Adhering to Green Operation
17	Rural revitalization and community welfare	Contributing to Society
18	Supplier management	Adhering to Business Ethics
19	Biodiversity conservation	Contributing to Society
20	Responsible marketing	Improving Customer Service Quality

Note: The topics in bold are highly material topics for the Company's ESG management and disclosure in 2023.

2. Focusing on Low Carbon to Draw a Green Landscape

2.1 CLIMATE CHANGE MANAGEMENT

- **CLIMATE CHANGE MANAGEMENT SYSTEM**

As a financial leasing enterprise, amidst the growing impacts of global climate change on humanity, Haitong Unitrust not only is concerned about the impacts of climate risk on the Company's own operations, but also realizes that the relevant risks will be transmitted to the Company via the business end, including the increase in credit risk of customers due to their solvency being affected.

The Company identifies the risks and opportunities that climate changes pose to its operations based on the framework of the *International Financial Reporting Sustainability Disclosure Standard No. 2 – Climate Related Disclosures* (IFRS S2) issued by the International Sustainability Standards Board (ISSB), and takes measures to manage the impacts of climate change on the Company based on the identification results.

Climate Change Management System of Haitong Unitrust

Aspect	Actions
Governance	<ul style="list-style-type: none"> • The Board is responsible for supervising matters related to ESG, including “climate change mitigation and adaptation” • The ESG Committee is established under the Board to be responsible for identifying and assessing ESG-related risks and opportunities, including climate risk • The business departments are responsible for identifying business-side risks • Incorporating climate change factors into the risk due diligence assessment system
Strategy	<ul style="list-style-type: none"> • Identify climate-related risks and opportunities and conduct comprehensive assessment of the potential financial or strategic impacts of risks and opportunities arising from climate change • Reduce risks through ESG risk management, equipment insurance, etc. • Seize opportunities through low-carbon operations, support for green industry development, etc. • Adopt energy saving and carbon reduction measures in daily operations to improve energy efficiency
Risk management	<ul style="list-style-type: none"> • Identify risks and opportunities relating to the Company arising from climate change based on the IFRS S2 guidelines • Include risk management on climate change in our existing risk management system • Revise the <i>ESG Risk Management Measures</i> (《ESG風險管理辦法》), carry out ESG due diligence on customers and manage their ESG risks
Metrics and targets	<ul style="list-style-type: none"> • Set climate-related targets and disclose progress on a regular basis

2. Focusing on Low Carbon to Draw a Green Landscape

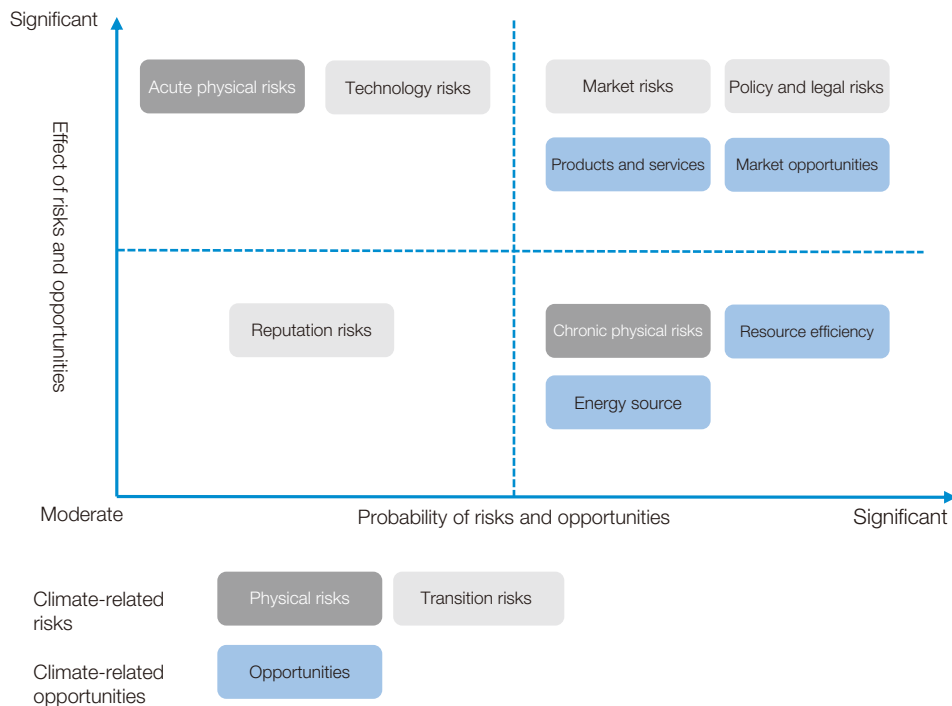
Climate-Related Objectives of Haitong Unitrust and Progress in 2023

Objective	Progress in 2023
Achieving carbon neutrality at the operational level in 2030	Progressing as planned
Greenhouse gas emissions per unit area (scope 1 and scope 2) controlled at not higher than 0.07 tons of CO ₂ equivalent/m ² in 2025	Achieved during the year

- MANAGEMENT OF CLIMATE CHANGE RISKS AND OPPORTUNITIES**

In order to better mitigate risks arising from climate change and seize corresponding opportunities, the Company took the initiative to identify key climate-related risks and opportunities related to the Company's operations and business and assess their potential impacts on its financial position by studying macroeconomic policies, analyzing industry benchmarks and consulting authorities and experts.

Matrix of Climate-Related Risks and Opportunities of Haitong Unitrust



2. Focusing on Low Carbon to Draw a Green Landscape

Analysis of Key Climate-Related Risks and Opportunities of Haitong Unitrust and Potential Financial Impacts

Type of key climate-related risks/opportunities	Description of risks/opportunities	Period of impact ^(Note)	Potential financial impact	Response measures	
Transition risks	Policy and legal risks	As the government is continuously imposing policies to cope with climate change, our customers may be restricted or prohibited from using high-energy-consuming devices. In addition, the Company and its customers may be in breach of contract or face penalties or litigations for failing to comply with policies and regulations	Long-term	Decrease in operating income Increase in operating costs Depreciation of fixed assets	<ul style="list-style-type: none"> All relevant departments and business units have strived to cope with climate change as part of their main duties The Company communicated with stakeholders about the Company's management measures for the "climate change mitigation and adaptation" topic through ESG reports, the Company's official website, official WeChat account and other channels
	Market risks	The introduction of low-carbon policies may affect the supply and demand in the market. Our customers who engage in traditional manufacturing and transportation & logistics industries may face risks relating to pricing and product offerings arising from changes in market supply and demand, including increases in raw material costs, declines in product prices and elimination of products from the market, which in turn result in increases in credit risks of the Company arising from declines in solvency of such customers	Long-term	Decrease in operating income Depreciation of fixed assets	<ul style="list-style-type: none"> Climate-related indicators have been included in the ESG due diligence system and climate-related risks have been taken into account as a part of consideration for business development The Company developed the <i>ESG Due Diligence Evaluation Card (Industry Version)</i> (《ESG 盡調評價卡(行業版)》) for high climate risk industries such as mining and raw material processing industries
	Technology risks	Our customers who engage in traditional manufacturing and transportation & logistics industries may face transition risks arising from the development and application of low-carbon and energy saving technologies. The Company, therefore, may face higher credit risk caused by declines in solvency of customers resulting from increases in costs of customers. The Company may also face risks arising from depreciation of its fixed assets caused by the upgrade of low-energy consumption equipment	Medium-term	Decrease in operating income Depreciation of fixed assets	<ul style="list-style-type: none"> Industries with high climate-related risks, including papermaking and paper products, coal mining and preparation, coal processing, leather goods and footwear industries, have been classified as "Withdrawal" category

Note: Definition of time range: A period within 3 years (inclusive) is short-term, a period between 3 years and 10 years (inclusive) is medium-term, and a period above 10 years is long-term.

2. Focusing on Low Carbon to Draw a Green Landscape

Type of key climate-related risks/opportunities	Description of risks/opportunities	Period of impact	Potential financial impact	Response measures	
Physical risks	Acute physical risks	The Company or its customers may suffer from the property damage or interruption of operation due to extreme weather disasters such as typhoons, floods and storms	Long-term	Decrease in operating income Increase in operating costs Depreciation of fixed assets	<ul style="list-style-type: none"> The Company maintained insurance for leased assets of projects to mitigate the risk of property damage caused by physical risks affecting leased assets The Company established a dual command center management mechanism. When the Shanghai headquarters is affected by physical risks and unable to operate as normal, the remote command center is activated to operate
	Chronic physical risks	The daily production or operation of the Company or its customers may be affected by chronic weather disasters such as rising temperature and sea levels	Long-term	Decrease in operating income Increase in operating costs Depreciation of fixed assets	
Opportunities	Products and services	If the Company provides financial leasing services to climate-friendly enterprises which are focusing on the development and innovation of low-carbon products and technologies, the Company will benefit from the growth of such customers	Medium-term	Increase in operating income Decrease in operating cost	<ul style="list-style-type: none"> The Company has put great efforts in providing financial leasing support for energy saving and environmental protection, new energy and green transformation industries The Company broadened green financing channels and raised funds through the issuance of special asset securitization products, etc., providing a financial basis for the Company's investment in projects in the fields of new energy, energy saving and environmental protection The Company has reclassified the prospect for photovoltaic equipment manufacturing, water and wind energy equipment manufacturing, environmental protection equipment manufacturing, environmental monitoring equipment manufacturing, energy saving and environmental protection project construction from "Moderate Support" to "Preferential Support"
	Market opportunities	With the development of low-carbon economy, climate-friendly products and enterprises have become increasingly popular in the market. The Company strongly supports the development of new energy industry, which is conducive to optimizing the asset structure of the Company and generating stable income while reducing risks	Long-term	Increase in operating income	
	Resource efficiency	Resource expense of the Company may be reduced through enhancing the efficiency of the use of energy, water, materials and other resources in its daily operation	Medium-term	Decrease in operating cost	
	Energy source	Resource expense of the Company may be reduced through using low-carbon energy in its daily operation in middle to long run	Medium-term	Decrease in operating cost	

2. Focusing on Low Carbon to Draw a Green Landscape

Type of key climate-related risks/opportunities	Description of risks/opportunities	Period of impact	Potential financial impact	Response measures
				<ul style="list-style-type: none"> Haitong Unitrust Tower has been designed to promote energy saving and emission reduction with the purchase of energy-saving equipment The Company has increased its allocation to green leasing assets in service industries such as new energy vehicles

2.2 DEVELOPING GREEN LEASING

Haitong Unitrust actively responds to China's "emission peak and carbon neutrality" strategy and continues to promote the in-depth development of green leasing through the "financing with capital + goods" model. In 2023, the Company continued to deepen industry cooperation and actively invested in green travel, new energy, sewage and solid waste treatment and other sectors, with the goal of creating a green leasing industrial ecosystem that integrates multiple fields and empowers the development of the green economy.

In 2023, the Company's investment in green leasing business exceeded RMB13 billion, accounting for approximately 23% of total investment. As at the end of 2023, the size of green leasing assets was approximately RMB23.7 billion.

Achievements in Serving Energy and Environmental Protection Business in 2023

Service sector	Achievements in 2023
Energy and environmental protection	<ul style="list-style-type: none"> The Company invested in 268 projects during the year, providing RMB9,657 million in financial support The present value of interest-earning assets was RMB17,758 million as at the end of the year

In the process of actively expanding the green leasing business, Haitong Unitrust has solidly promoted the development of credit approval and business process systems. In 2023, the Company revised the "Green Roof" Product Operation Plan (《「綠色屋頂」產品操作方案》) to improve its ability to identify and assess the risks of green leasing projects, as well as to promote business growth while balancing risks and efficiency.

2. Focusing on Low Carbon to Draw a Green Landscape

- ACTIVELY RESPONDING TO GREEN TRAVEL INITIATIVES**

Haitong Unitrust aggressively promotes the development of green and low-carbon production models in the transportation sector. It offers financial leasing services to a number of transportation and logistics companies, as well as assistance in the deployment of new energy vehicles to promote the transition to green transportation and urban distribution. Furthermore, the Company supports public transportation companies in the construction, operation, and maintenance of high-capacity public transportation facilities, such as BRT bus routes and stations, and other facilities, in order to promote green transportation infrastructure construction.

Achievements of UniFortune Subsidiary in Serving Green Travel Business in 2023

Service content	Achievements in 2023
New energy pure electric vehicles	It introduced a total of nearly 30,000 new energy pure electric vehicles into the travel market during the year
Green urban distribution market	It introduced a total of more than 10,000 new energy pure electric vehicles into the green urban distribution market during the year, covering a number of major cities in the Yangtze River Delta, the Greater Bay Area, Beijing, Tianjin, Hebei, Sichuan and Chongqing

CASE: Supporting a Public Transportation Company in Deploying New Energy Electric Buses

A local urban bus company in Jiaozuo City has more than 700 buses. The Company provided this customer with financial leasing services for 50 new energy electric buses, with a financing amount of nearly RMB30 million, which strongly supported the development of local green public transportation and the construction of people's livelihood infrastructure.



New energy electric bus project

2. Focusing on Low Carbon to Draw a Green Landscape

CASE: Supporting the Supply and Delivery during the Hangzhou Asian Games

A company in Zhejiang Province needed to build a fleet to ensure the supply and distribution of drinking water, meals and related materials during the Hangzhou Asian Games in 2023.

The Company provided this customer with 90 Karry Dolphin new energy vehicles via financial leasing, implementing the concept of “green urban distribution” and working with this customer to support the supply and delivery during the Hangzhou Asian Games.



Hangzhou Asian Games supply and delivery fleet

- **SUPPORTING THE DEVELOPMENT OF THE NEW ENERGY INDUSTRY**

Haitong Unitrust responds to China’s call for new energy infrastructure construction and focuses on photovoltaic power generation and energy storage. It is committed to offering financial leasing solutions for high-quality new energy projects, supporting the development and operation of the photovoltaic industry chain and energy storage facilities, and promoting the commercialization of new energy technologies.

In 2023, the Company provided financial leasing services to enterprises engaged in distributed photovoltaics, monocrystalline silicon furnaces, photovoltaic silicon wafers and rods, and silver paste for P-type batteries to support the development of the photovoltaic industry chain, with an investment of approximately RMB1 billion in a total of 95 relevant industry chain projects.

2. Focusing on Low Carbon to Draw a Green Landscape

CASE: Supporting the Construction of a 5.8MW “Salt-Solar Complementary” Photovoltaic Power Station

Weifang City, Shandong Province is rich in saline-alkali tidal flat resources. A company in Weifang City has been deeply involved in the photovoltaic industry. Such company adapted to local conditions and utilized the brine reservoir tidal flat in the temporary diversion area to invest in the construction of a “salt-solar complementary” photovoltaic power station that integrates power generation, salt production, and energy storage, with a total installed capacity of 5.8MW.

UniFortune Subsidiary of the Company provided financing services for the project for the purchase and installation of photovoltaic equipment, helping to construct a new model for new energy development and the comprehensive utilization of saline alkali land under the new development concepts. The project was connected to the power grid for power generation in October 2023, contributing to local green and environmental protection industries.



5.8MW “Salt-Solar Complementary” photovoltaic power station project

In 2023, the Company further explored the study of the energy storage field and established a dedicated team. Through extensive information collection, data analysis and field research, it meticulously evaluated the market trend, technological advancements and investment returns in the energy storage field, and completed the research and demonstration of investment in the new area of energy storage, exploring new areas for the Company’s business development in the new energy industry.

2. Focusing on Low Carbon to Draw a Green Landscape

CASE: Supporting the Upgrading of Biogas Power Generation Equipment and Expansion of New Projects

A Shenzhen-based environmental protection and new energy enterprise specializes in the comprehensive utilization of greenhouse gases, with a focus on the collection and purification of methane-based greenhouse gases such as biogas, coal mine gas, and industrial tail gas, as well as the conversion of these gases into electricity to aid energy saving, emission reduction, and carbon neutrality.

In October 2023, the Company assisted this customer in the upgrading and maintenance of its biogas power generation equipment as well as the investment in and construction of new projects through financial leasing, with a total financing amount of RMB50 million. With the help of the Company, this customer's business scale has been further expanded, and its greenhouse gas processing volume and power generation volume have continued to rise.

- **PROMOTING GREEN TRANSFORMATION OF INDUSTRIES**

Haitong Unitrust has been promoting the green transformation of industries and is committed to delivering green financial leasing solutions to help customers strike a healthy balance between economic benefits and ecological sustainability.

In 2023, the Company invested in 200 projects in energy saving and environmental protection areas, with a total investment of approximately RMB6.1 billion.

Achievements in Serving Energy Saving and Environmental Protection Sector in 2023

Business type	Achievements in 2023
Hazardous waste, sludge and kitchen waste treatment business	The Company invested in 81 projects with a total investment of approximately RMB4.1 billion.
Clean energy and construction waste resource utilization business	The Company invested in 119 projects with a total investment of approximately RMB2 billion.

2. Focusing on Low Carbon to Draw a Green Landscape

CASE: Supporting the Green Transport Transformation of a Mining and Transportation Enterprise

A company in Hubei Province, which is engaged in the transportation of coal/sand and gravel and operates in mining areas, commenced cooperation with the Company in December 2023.

The Company assisted this customer in purchasing 45 new energy driverless mining trucks via financial leasing (direct leasing). The success of this cooperation greatly enhanced this customer's confidence in the development of future mine transportation projects. The use of clean energy as power by these new energy driverless vehicles reduced operating costs, laying a solid foundation for future ongoing operations of this customer.

CASE: Supporting the Development of the Hazardous Waste Recycling Industry

A company in Lingbao City is principally engaged in the smelting, electrolysis, deep processing and sales of non-ferrous metals, as well as the production and sales of sulfuric acid and chemical raw materials. This customer relocated its existing lead smelting production line to an industrial park in Lingbao City and built a 200,000-ton "double bottom blowing" recycled lead smelting production line to recycle waste lead-acid batteries and other lead-containing hazardous waste. As an important part of the lead resource recycling system in Henan Province, the project was designated as a provincial key construction and management project. However, there were insufficient funds for the project.

After conducting a thorough review of the project, the Company provided facilities of approximately RMB200 million. Based on a thorough analysis of the project's construction progress, capacity ramp-up and future benefits, the Company designed a 60-month financing term and a repayment schedule with lower payments first and higher payments later, maximizing the support for the expansion of hazardous waste recycling capacity.

In 2023, the Company followed the national policy guideline of encouraging the construction of green data centers by aggressively developing digital economy business to help improve energy efficiency and the sustainable development of data centers.

2. Focusing on Low Carbon to Draw a Green Landscape

CASE: Serving Green and Low-Carbon New Data Center Construction Project

A company in Beijing is a technology enterprise engaged in computer system services, data processing and storage support services. It owns a technology industrial park and associated cloud computing data center project in Beijing, which had stringent standards for energy efficiency value and other energy-saving features upon completion and urgently needed funding for project construction and a professional service team.

The Company provided over RMB100 million in financing support for the project, ensuring its efficient construction and smooth progress. Furthermore, the construction of the project was led by an ecological partner of the Company as a third-party service provider, who ensured the construction and operation of a high-quality data center through its expertise and extensive experience.



Green and low-carbon new data center construction project

- **EXPANDING GREEN FINANCING CHANNELS**

In 2023, the Company raised funds through the issuance of special asset-backed securitization products, laying a solid financial foundation for investment in new energy, energy saving and environmental protection areas.

2. Focusing on Low Carbon to Draw a Green Landscape

CASE: Issuing Targeted Green Asset-Backed Commercial Notes

In March and September 2023, Haitong Unitrust successfully issued the first and second tranches of Targeted Green Asset-Backed Commercial Notes of 2023 Lease No. 2 at the National Association of Financial Market Institutional Investors. The Company continues to increase investment and financing in high-quality green projects and further improve its green service capability.

Each tranche of the above asset-backed commercial notes raised RMB950 million, with the underlying assets primarily focused on water supply, sewage treatment, biomass resource utilization, hazardous waste disposal, and green transportation, making full use of green leasing to promote corporate sustainability.

CASE: Issuing the First “Green + Low-Carbon Transformation” Asset-Backed Securities in China

In June 2023, the Company successfully issued the “Haitong Unitrust No. 26 Green Asset-Backed Special Plan (Low-Carbon Transformation)” on the Shanghai Stock Exchange, the first “Green + Low-Carbon Transformation” asset-backed securities in China.

Such asset-backed securities raised RMB1 billion, and the underlying asset projects are all green transportation projects. The key performance indicator for low-carbon transformation is the contract amount of newly signed contracts for financing and leasing of new energy vehicles. China Chengxin Green Finance Technology (Beijing) Co., Ltd. assigned a G-1 rating to the Haitong Unitrust No. 26 Green Asset-Backed Special Plan (Low-Carbon Transformation), as it follows the basic principles of low-carbon transformation-linked bonds, including a reasonable selection of linked targets and a bond structure design that meets the basic requirements for low-carbon transformation-linked bonds.

2.3 ADHERING TO GREEN OPERATION

Haitong Unitrust’s energy and resource consumption as well as waste generation during the operation process are primarily caused by daily office operations.

The energy usage by the Company mainly includes electricity, natural gas, gasoline consumed by its own vehicles. The Company’s water source is municipal water and it had no issue in sourcing water in 2023. The waste generated by the Company mainly includes non-hazardous waste such as office waste and kitchen waste, as well as hazardous waste such as used batteries, ink boxes and toner cartridges.

2. Focusing on Low Carbon to Draw a Green Landscape

The Company has implemented the concept of low-carbon operation in strict compliance with the *Environmental Protection Law of the PRC* (《中華人民共和國環境保護法》) and other laws and regulations related to environmental protection. It has formulated the *Regulations on Safety Management of the Company's Headquarters Building* (《公司本部大樓安全管理規定》) and the *Notice on Strengthening Electricity Safety Management of the Company* (《關於加強公司用電安全管理的通知》). In 2023, the Company had no confirmed environmental violations that had a significant impact on the Company.

In 2023, the Company promoted green operations and development by implementing low-carbon offices, saving paper, managing water resources, treating waste, and building green office space.

Green Operation Measures of Haitong Unitrust in 2023

Key aspects	Specific measures
Low-carbon office	<ul style="list-style-type: none">• Our office premises are equipped with energy saving computers, refrigerators, lighting systems and other energy-saving equipment• Lights that are not in use will be switched off during office hour inspection; lights, computers and other energy consuming devices in the office will be switched off after office hours to avoid waste of power• Centralized air conditioning systems are installed, and room temperature will be closely monitored and adjusted by artificial intelligence during the summer and winter• Video conference and conference call systems are used for remote training, interviews, inspections, meetings and other routine activities, so as to reduce the greenhouse gas emissions caused by transportation• The <i>Vehicle Management Measures</i> (《車輛管理辦法》) were developed to unify dispatch and management. Centralized vehicle traffic was scheduled over the same route to reduce gasoline consumption and exhaust emissions
Paper saving	<ul style="list-style-type: none">• Promoting paperless office and reducing the number of duplicate printouts• Purchasing printing system software to realize remote printing and avoid problems such as duplicate printouts and printing errors• The default printing settings for each computer are black and white and double-sided printing• Employees are encouraged to bring their own cups to reduce the use of disposable paper cups and other disposable consumables
Water resources management	<ul style="list-style-type: none">• “Saving Water” labels are posted in water consumption areas to encourage water conservation• Water-saving equipment is installed and inspected on an unscheduled basis to avoid waste caused by leakage

2. Focusing on Low Carbon to Draw a Green Landscape

Key aspects	Specific measures
Waste treatment	<ul style="list-style-type: none"> • Different types of rubbish bins are placed on each floor to achieve sorting and collection of four types of wastes, being dry wastes, wet wastes, hazardous wastes and recyclable wastes • Kitchen waste is collected and processed by professional teams • Non-hazardous wastes such as cartons and waste paper, as well as hazardous wastes such as used batteries and electrical appliances, are handed to qualified suppliers for recycling or professional treatment • Domestic sewage is discharged to municipal sewage plants by connecting the in-house pipes to the municipal pipeline
Green office space construction	<ul style="list-style-type: none"> • Haitong Unitrust Tower is a green building, equipped with insulated glass curtain walls, energy-saving and water-saving appliances • Environment-friendly products are purchased, including furniture with water-based paint • The use of green, energy-saving and environment-friendly construction materials is prioritized • Green and environmental protection measures are implemented, such as resource conservation and air pollution control, during construction

In 2023, the Company adhered to the principles of “protection first, prevention first, comprehensive management, public participation, and taking responsibility for damages”, actively promoted the publicity and implementation of environmental protection awareness, and carried out environmental protection training such as environmental protection and energy saving management systems, with a total of 66 person-times.



Sorting and collection of wastes

2. Focusing on Low Carbon to Draw a Green Landscape

CASE: Implementing Paperless Office

Haitong Unitrust practices the green office concept and utilizes financial technology tools to enhance office efficiency. In 2023, Haitong Unitrust produced over 160,000 electronic reports and authorization letters, saving a total of approximately 1.7 million sheets of paper and reducing carbon emissions by approximately 3.27 tons of CO₂ equivalent^(Note), and signed 210,000 electronic agreements, saving a total of approximately 940,000 sheets of paper and reducing carbon emissions by approximately 1.81 tons of CO₂ equivalent^(Note).

Note: The reduction in carbon emissions from paper saving was calculated using the "Office Paper" emission factors outlined in the US EPA GHG Emission Factors Hub (2023.4), with incineration and landfill, being the two disposal methods, each accounting for 50% of equivalent reduction in emissions.

Based on its own operating situation, the Company set 2021 as the benchmark year and determined ESG targets in respect of four areas including carbon emissions, power consumption, water resources, and waste management. The Company monitored the progress based on its ESG performance regularly, striving to achieve the targets by 2025.

Power Consumption and Carbon Emission Objectives and Progress of Haitong Unitrust

Objectives	Power consumption per unit area	Greenhouse gas emissions per unit area	Water consumption per unit area	Waste generation
Objectives for 2025	Power consumption per unit area in 2025 will be controlled at a performance level not higher than the benchmark in 2021, i.e. not higher than 90.61 kWh/m²	Greenhouse gas emissions per unit area (scope 1 and scope 2) in 2025 will be controlled at a performance level not higher than the benchmark in 2021, i.e. not higher than 0.07 tons of CO₂ equivalent/m²	Water consumption per unit area in 2025 will decrease by 11% from the benchmark in 2021	The Company will gradually improve the identification and statistics of the sources of non-hazardous waste and hazardous waste, and keep the generation of non-hazardous waste and hazardous waste at a low level
Progress in 2023	95.22 kWh/m ²	0.05 tons of CO ₂ equivalent/m ²	0.50 ton/m ²	

3. Serving National Strategy with Innovations



In 2023, Haitong Unitrust provided financial leasing services to **28,504** real-economy enterprises.

3.1 SUPPORTING PUBLIC SERVICE FACILITIES CONSTRUCTION

Haitong Unitrust places great emphasis on supporting people's livelihoods and assists in the construction of public service facilities such as urban utilities, healthcare and education services by providing comprehensive financial solutions such as financial leasing to meet the funding and equipment procurement needs of customers.

Achievements in Supporting Public Service Facilities Construction in 2023

Service sectors	Achievements in 2023
Urban utilities	<ul style="list-style-type: none">The Company invested in 18 projects during the year, providing approximately RMB3 billion in financial supportThe size of interest-earning assets as at the end of the year was approximately RMB15.2 billion
Healthcare	<ul style="list-style-type: none">The Company invested in 425 projects during the year, providing approximately RMB3.7 billion in financial supportThe size of interest-earning assets as at the end of the year was approximately RMB7.5 billion
Education Services	<ul style="list-style-type: none">The Company invested in 99 projects during the year, providing approximately RMB2.9 billion in financial supportThe size of interest-earning assets as at the end of the year was approximately RMB3.1 billion

• HEALTHCARE

In 2023, the Company developed private medical institutions and medical industry enterprise customers primarily engaged in elderly care, consumer healthcare, and comprehensive diagnosis and treatment services, and formulated systems such as the *Guidelines for Credit Review for the Medical Industry* (《醫療行業信審指引》) and the *Guidelines for Credit Review of RMB1 Million Special Products for Small- and Micro-sized Medical Institutions* (《小微醫療100萬專項產品信審指引》). The Company further subdivided the private medical market and launched product manuals for private general hospitals, private dental medical institutions, private medical beauty and ophthalmology direct leases.

3. Serving National Strategy with Innovations

CASE: Supporting the Development of a Medical Service Institution for the Middle-Aged and the Elderly

A company in Guangdong Province is a medical management group with the mission of “protecting the health of the middle-aged and the elderly” and the strategic goal of “becoming a technology-led investment operator integrating medical and nursing care”.

The Company provided this customer with financial leasing services to assist with the first phase construction, second phase expansion, equipment procurement, and department expansion on the Xi’an campus of its integrated medical and nursing care hospital, which provided strong support for an outstanding real-economy enterprise while indirectly contributing to the ecosystem of integrated medical and nursing care services.

CASE: Supporting the Development of a Private Medical Institution

A hospital in Hefei City is a private first-class specialized hospital engaged in medical services. To provide standard medical services, this customer needed to expand hardware facilities and purchase medical equipment.

MSE Subsidiary of the Company assisted this customer in purchasing medical equipment and adding hospital hardware facilities on many occasions through financial leasing, providing four facilities, totalling over RMB1 million, in funding support, to promote its conduct of medical business.



Private medical institution development support project

- **EDUCATION SERVICES**

In respect of education services, the Company has formulated systems such as the *Guidelines for Credit Review for the Private Education Industry* (《民办教育行业信审指引》), which set out detailed rules on the criteria for customer admission, credit grant plans, conditions for determining high-risk projects, and conditions for determining projects subject to one-vote veto, in order to support the development of the education services industry.

3. Serving National Strategy with Innovations

CASE: Supporting the High-Quality Development of Private Education

A prestigious private middle school in Fuzhou City needed funding to upgrade hardware facilities.

The Company provided this customer with financial leasing services to assist it in purchasing and upgrading hardware facilities, resulting in increased enrollment and a consistent improvement in teaching quality.



Private education development support project

3.2 SUPPORTING ADVANCED MANUFACTURING INDUSTRY

Guided by the development direction set out in China's "14th Five-Year Plan" and "Made in China 2025", Haitong Unitrust is committed to promoting the upgrading of the manufacturing industry to greening, automation and intelligence along the main path of material upgrading, process upgrading, equipment upgrading, consumption upgrading and energy structure upgrading.

In 2023, the Company further strengthened its support for the advanced manufacturing sector and explored the business structure of advanced manufacturing and identified five unique industries: new chemical materials, photovoltaic industry chain, new electronic materials, specialized equipment, and clean energy.

In 2023, the Company invested approximately RMB16 billion in the relevant advanced manufacturing business, accounting for over 28% of total investment. As at the end of 2023, the size of advanced manufacturing assets was approximately RMB22.6 billion.

3. Serving National Strategy with Innovations

CASE: Facilitating the Implementation of an Energy Saving and Emission Reduction Project in the Steel Industry

A company in Anyang City, established in 2023, is a project company in the energy sector within a certain group, as well as the owner of the steel industry's first internal combustion engine exhaust treatment project.

The Company discussed business models with this customer in 2023 and achieved business investment during the year. This project deviates from the steel industry's tradition of employing steam turbines to reuse exhaust gas resources, and it is the industry's first exhaust gas treatment and reuse project using internal combustion engines. The project's equipment provider is a niche "little giant" enterprise with leading technologies among products in the same sector in China and around the world, as well as high adaptability of its equipment and application scenarios. The Company will further facilitate comprehensive long-term collaboration with this customer and equipment supplier.



Steel industry energy conservation and emission reduction facilitation project

CASE: Supporting the Development of New Battery Material Industry Chain

A company in Guangxi is a high-tech enterprise committed to the research and development and production of lithium-ion electrode materials required for new environment-friendly batteries, with a business focus on new energy vehicles and new energy storage sectors.

MSE Subsidiary of the Company supported this customer's production capacity expansion plan through financial leasing, injecting momentum into the development of the clean energy industry and supporting the development of green environmental protection industries.

In 2023, Haitong Unitrust actively constructed a customer ecosystem covering advanced manufacturing, digital economy and other fields by issuing special bonds and asset securitization products, so as to support the development of the fields of technological innovation.

3. Serving National Strategy with Innovations



CASE: Issuing the First “Digital Economy” Technological Innovation Public Corporate Bonds in the Financial Leasing Industry

In April 2023, Haitong Unitrust successfully issued the 2023 Technological Innovation Corporate Bonds (Digital Economy) (Tranche 1) to professional and institutional investors on the Shanghai Stock Exchange, the first corporate bond in the financial leasing industry to support technology innovation enterprises in the field of digital economy.

Such bond issue raised RMB1 billion, with a term of 3 years. The proceeds were mainly invested in digital economy areas such as Internet data centers and digital infrastructure to assist downstream Internet enterprises, finance, government service and other customers in achieving digital transformation.



CASE: Further Issuing Technological Innovation Asset-Backed Securities

As at the end of 2023, the Company had issued a total of five tranches of asset-backed securities with a cumulative issuance size of RMB6 billion and a technological innovation label.

In May 2023, Haitong Unitrust successfully issued Haitong Unitrust MSE No. 22 Asset-Backed Special Plan (Technological Innovation) on the Shanghai Stock Exchange, the first technological innovation asset-backed securities in the financial leasing industry that meets the *Guideline No. 4 for the Application of Confirmation Rules for the Conditions of Listing of Asset-Backed Securities on the Shanghai Stock Exchange* (《上海證券交易所資產支持證券掛牌條件確認規則適用指引第4號》).

Such asset-backed securities raised RMB1.2 billion. 447 companies were included in the list of suppliers in the technological innovation area for underlying assets. The related equipment suppliers have received certifications such as “High-Tech Enterprise”, “Little Giant”, “Technological Innovation Demonstration Enterprise”, “Enterprise Technology Center”, and “Torch Plan Project Enterprise”. Such asset-backed securities issued by the Company further played a role in serving national strategy and the real economy and strengthened financing support for MSEs in areas such as technological innovation.

3. Serving National Strategy with Innovations

3.3 SERVING COORDINATED REGIONAL DEVELOPMENT

Haitong Unitrust carried out the government instructions on the in-depth implementation of major regional strategies and coordinated regional development strategies, with an emphasis on business in key regions such as the Yangtze River Economic Belt and the Yangtze River Delta.

- **CONTRIBUTING TO THE INTEGRATION OF THE YANGTZE RIVER DELTA**

Haitong Unitrust actively responds to the “Supporting the Development Strategy of the Yangtze River Economic Belt” action plan of Haitong Securities Co., Ltd. (“Haitong Securities”). Using “financing with capital + goods” as an entry point, it offers specialized and distinctive financial leasing services to the Yangtze River Economic Belt region, as well as assistance in the industrial transformation and upgrading in the Yangtze River Economic Belt.

The Company actively follows China’s Yangtze River Delta integration strategy by aiding Shanghai in becoming a world-class data center city and fostering the development of digital economy in the Yangtze River Delta region. In 2023, Haitong Unitrust assisted IDC enterprise customers in investing in the construction of several important data centers with the aim of contributing to the digital transformation for the integration of the Yangtze River Delta by enhancing infrastructure construction.

CASE: Issuing the First “Yangtze River Economic Belt” Themed Asset-Backed Securities in the Financial Leasing Industry

In March 2023, Haitong Unitrust successfully issued Haitong Unitrust 13th Asset-Backed Special Plan (Yangtze River Economic Belt) on the Shanghai Stock Exchange, the first “Yangtze River Economic Belt” themed asset-backed securities in the financial leasing industry.

Such asset-backed securities raised RMB785 million. The product targets key customers in the Yangtze River Economic Belt region and actively responds to China’s strategic goal of supporting the development of the Yangtze River Economic Belt, with over 80% lessees of the underlying assets located in the Yangtze River Economic Belt region. Furthermore, the product, which is characterized by “industry” and “green” and contributes to the development of the “Yangtze River Economic Belt,” focuses on supporting industries encouraged by national policies as well as strategic emerging industries such as advanced manufacturing, new energy, new materials, and green low-carbon, with over 50% assets coming from these industries. The issuance aligns with the bond structure favored by investors in the market and uses the unique financing structure of off-balance-sheet issuance, providing the capital market with high-quality and diverse product options.



“Yangtze River Economic Belt” themed asset-backed securities successfully issued

3. Serving National Strategy with Innovations

- PROMOTING EAST-WEST COLLABORATION**

Haitong Unitrust assists natural gas enterprises in western China in promoting the purification and recycling of natural gas, thereby converting resource advantages in western China into economic advantages.

CASE: Assisting the Clean Energy Industry in Western China

Haitong Unitrust provides natural gas companies in western China with financial leasing services for clean energy projects to promote natural gas purification and recycling. In 2023, it provided over RMB100 million in financing to customers in the clean energy industry in Ordos, Ningxia and Xinjiang.

3.4 PROMOTING INCLUSIVE FINANCE

MSEs play an important role in China's economy. The financial leasing industry offers financing in the form of capital and goods to help with equipment procurement and directly supports the growth of MSEs. Haitong Unitrust actively serves the real economy by offering a variety of financial support solutions to MSEs to support their sustainable development.

In 2023, the Company developed four micro project guides, including *Micro Travel* (微出行), *Micro Logistics* (微物流), *Micro Urban Distribution* (微城配), and *Small Distributed Photovoltaics Power Plants* (小型分布式光伏电站), in order to improve the efficiency of approval for small and micro projects and better serve MSEs. In 2023, the Company provided financial support of over RMB14.9 billion to 7,623 medium-, small- and micro-sized enterprises.

Key Products and Achievements for Cooperation with MSEs Customers in 2023

Service sectors	Product	Achievements for cooperation in 2023
Construction	Aerial work vehicle products under the cooperation with Hunan Xingbang	507 cooperation agreements with equipment amount of RMB363 million, covering over 200 customers
Manufacturing and processing	Embroidery machine products under the cooperation with Zhejiang Promaker	156 cooperation agreements with equipment amount of RMB252 million, covering over 100 customers

3. Serving National Strategy with Innovations

The Company will continue to improve the accessibility of financial services to medium-, small- and micro-sized enterprises in remote areas. In the context of rural revitalization, establishing an agricultural logistics system is an effective way to support agricultural growth.

CASE: Supporting Agricultural Product Transportation of Farmers

Known as the “Key to Sichuan and Yunnan”, Huili City, Liangshan Prefecture, Sichuan Province has a long history of pomegranate cultivation and is the hometown of pomegranate in China. Villagers from Group 2, Shangcun Village, Yimen Town, Huili City intended to rent a Haowo brand warehouse-style transport truck to transport vegetables and fruits between Liangshan Prefecture and Leshan, Sichuan Province.

The Company offered financing for transportation truck purchases to individual farmer drivers, supporting local agricultural production and contributing to rural revitalization.

CASE: Supporting Cold Chain Logistics Construction

A company is located in Kunming, Yunnan Province and principally engaged in cold chain transportation through rail-road multimodal transportation. With the rapid growth of the fresh food e-commerce market and the resulting strong demand for cold chain logistics, this customer experienced continuous logistics business growth and needed to expand its cold chain container fleet.

UniFortune Subsidiary of the Company provided approximately RMB30 million in financial support for the customer’s purchase of cold chain containers, greatly reducing the strain on this customer due to container shortages caused by company expansion and effectively supporting its business growth.

4. Committed to Providing High-Quality Services

4.1 IMPROVING CUSTOMER SERVICE QUALITY

Haitong Unitrust is committed to providing customers with high-quality, diverse, and one-stop services, strengthening post-lease and complaint follow-up mechanism, and resolving customer issues through efficient communication. The Company has developed systems such as the *Customer Management Measures* (《客戶管理辦法》) and the *Business Operation Management Measures* (《業務運營管理辦法》) to continuously optimize the customer service process and further improve the level of customer services.

The Company's call center handles customers' daily inquiries, complaint feedback and business processing needs, aiming to effectively resolve customer problems and difficulties and improve the customer service experience.

Key Measures and Results of Haitong Unitrust for Improving Customer Service Experience

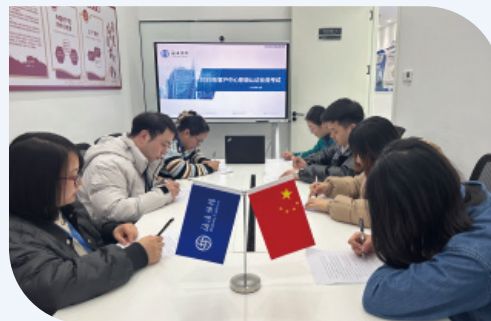
In 2023, the Company's call center focused on establishing an intensive, efficient, and high-quality customer service system by:

- achieving real-time communication through online customer service, exclusive customer service WeChat and other channels
- optimizing the customer service system to further increase the customer service connection rate
- improving the efficiency of customer service personnel's online resolution through authorization
- increasing proactive outbound calls such as post-lease project follow-ups and repayment and overdue reminders to support the post-lease asset management of the Company

In 2023, the call center received a total of 226,774 customer inquiry calls, with a customer satisfaction rate of 99.49%

CASE: Carrying out Job Level Certification for Customer Service Personnel

In December 2023, Haitong Unitrust organized all customer service personnel to participate in job level certification. The Company developed the *Customer Service Personnel Job Level Certification Plan* (《客服人員職級認證方案》), which sets out clear service standards for customer service personnel, and conducted a job level certification for 2023 in accordance with the plan. The job level certification helped to improve the expertise of customer service personnel, allowing them to better support the Company's business development.



Job level certification for customer service personnel

4. Committed to Providing High-Quality Services

For customer complaint handling, the Company's customer complaint management process mini-program has the functions of real-time query of complaint progress and downloading relevant complaint documents, enabling transparent display and management of information on the complaint process and urging customer service personnel to respond in a timely manner. In 2023, the Company amended the *Management Measures for Handling Customer Complaints* (《客戶投訴處理管理辦法》) to further optimize the complaint handling process and follow-ups on the entire complaint handling process, thereby resolving the risk of escalation of customer complaints.

In 2023, the number of major complaints received by the Company from the regulatory bodies showed a significant downward trend compared with the previous year, of which there were zero reasonable complaints for which the regulatory bodies determined that the Company was responsible. In 2023, the average resolution period of our customer complaints was 4 calendar days, and the problem resolution ratio was 100%.

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

The Company was not aware of any violations of regulations on the information and labels on products and services or any violations of marketing and publicity regulations in 2023.

4. Committed to Providing High-Quality Services

4.2 STRENGTHENING DATA GOVERNANCE AND SECURITY

Haitong Unitrust values information security and the protection of customer privacy and incorporates information security into its overall development plan. It has established the Information Technology Governance Committee, and an Information Technology Governance Committee Office under the committee. The Company strictly abides by laws and regulations such as the *Cybersecurity Law of the PRC* (《中華人民共和國網絡安全法》), the *Data Security Law of the PRC* (《中華人民共和國數據安全法》), and the *Personal Information Protection Law of the PRC* (《中華人民共和國個人信息保護法》). In 2023, the Company developed the *Management Measures for Data Center Computer Rooms* (《數據中心機房管理辦法》), the *Network Management Measures* (《網絡管理辦法》), the *Emergency Plan Management Measures for Information Technology* (《信息技術應急預案管理辦法》), and the *Confidentiality Management System (Provisional)* (《保密管理制度(暫行)》), and amended management systems such as the *Information Asset Management Measures* (《信息資產管理辦法》) and the *Information Security Management Measures* (《信息安全管理制度》), thereby improving its information security management mechanism.

- **DATA GOVERNANCE**

Haitong Unitrust has established a data governance structure, with the Financial Technology Department in charge of related work at the information technology level and the Risk Management Department in charge of developing the standards for and continuous management of data specifications, data labels and field logic.

In 2023, the Company developed data management standards in respect of information technology, data specifications, data labels and field logic. All business data generated during the Company's operations is recorded in the database to ensure that the data entered meets the necessary standards. The Company also conducts regular and ad-hoc random inspections on important data labels and promptly corrects any label inaccuracies to ensure data accuracy.

- **INFORMATION SECURITY**

The Information Technology Department of the Company is responsible for the information security of the Company, including security strategy and planning, security assessment and control, security operation management, security audit and supervision. It promotes the systematic construction of the Company's network security, data security, and application security, and takes the lead in formulating relevant rules, regulations and processes. The Company conducts technological innovations and research projects to provide a robust and secure underlying architecture and services for technology empowerment.

The Company enhances information security construction from various perspectives, including network security, terminal security, data security, and development security. It has established a standardised network security procedure, as well as a security monitoring and early warning system.

For information security training, the Company combines online and offline training. In 2023, it enhanced information security awareness among employees by providing security awareness training, arranging Information Security Month activities, and promoting the protection of personal privacy data.

4. Committed to Providing High-Quality Services

CASE: Information Security Month Activities in 2023

In 2023, Haitong Unitrust held Information Security Month activities for all employees and posted two information security training videos on its internal training platform. The Company conducted internal phishing drills and provided targeted training to employees with low security awareness.

During the Information Security Month, the Company held two rounds of information security contests and produced animated videos for information security publicity, as well as promotional posters and screensavers.



Information Security Month knowledge contest

The Company has developed the *Measures for Customer Information Management* (《客户信息管理辦法》) to clarify each department's responsibility in customer information management and ensure customer information security. It requires employees to sign the *Job Confidentiality Agreement* (《崗位保密協議書》) to raise awareness of information confidentiality among employees and to strictly protect the security of customer information.

The Company has developed a client privacy protection policy that includes appropriate customer privacy policies, the *Notice of Integrity* (《廉潔誠信告知書》) and the *Consent to the Collection and Processing of Personal Biometric Information* (《個人生物識別信息收集處理同意書》). It has formulated emergency plan management measures and common emergency plans to deal with potential information security incidents.

In 2023, 100% of employees of the Company signed the *Job Confidentiality Agreement*, and the Company was not aware of any leakage of customer information or privacy.

4. Committed to Providing High-Quality Services

4.3 FINANCE EMPOWERED BY TECHNOLOGY

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

Haitong Unitrust's Technology-Enabled Business Strategy

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

In 2023, Haitong Unitrust continued to increase investment in financial technology, mainly for the development of key platforms such as the big data basic platform, online customer acquisition, IoT monitoring and early warning, unified customer and investor profiling, automatic approval models, credit review process efficiency improvement, and data classification. As at the end of 2023, the Financial Technology Department had a total of 183 employees (including outsourced employees).

4. Committed to Providing High-Quality Services

Major Efforts and Achievements of Haitong Unitrust's Technology-Enabled Business in 2023

Major category	Major efforts and achievements
Customer identification	<ul style="list-style-type: none"> We sorted through hundreds of thousands of existing customers, identified relationships such as lessees, valuation subjects, and affiliated groups, and implemented risk exposure pooling to improve customer risk identification capability
Capital management	<ul style="list-style-type: none"> We provide an investor management platform for financing managers to enable daily fund reporting functions. For bank-enterprise connection, automatic payment and settlement were realized for certain businesses
Business approval	<ul style="list-style-type: none"> To boost approval efficiency, multiple mobile approval processes were introduced We further increased the proportion of automatic approval
Business quality and efficiency	<ul style="list-style-type: none"> We launched the "Companion System" to display the full-cycle practice status of business personnel in real time and improve the level of refined management in business units
IoT monitoring	<ul style="list-style-type: none"> In terms of the Internet of vehicles, we introduced functions such as online order dispatch and monitoring for engineering vehicles to lower monitoring costs In terms of industrial IoT, we introduced functions including automatic order dispatch and mobile monitoring and early warning for wristband devices to improve asset monitoring efficiency We enabled the recycling of device wristbands to reduce costs
Research and development efficiency	<ul style="list-style-type: none"> We completed the early preparations for the DevOps^(Note) integrated research and operation platform and began project implementation, which is expected to improve the research and development efficiency of the financial technology tools and refined management skills of the Group in general upon completion

Note: DevOps means Development & Operations, a collective term for a set of processes, methods, and systems, used to facilitate communication, collaboration and integration between application/software engineering development, technical operations and quality assurance departments.

4. Committed to Providing High-Quality Services

CASE: “Connecting Everything to Create the Future”, Further Polishing the AI Computing Power Platform

Haitong Unitrust’s computing power platform seeks technological innovations. With the accelerated integration of AI and business scenarios, a data center-level GPU resource pool was built using software-defined AI computing power to achieve integrated management and control of computing resources, allowing recycling of computing resources within seconds through unified allocation, management, and monitoring.

Haitong Unitrust’s computing power platform effectively improves management capabilities in various application scenarios such as intelligent marketing, intelligent approval, intelligent identification, intelligent decision-making, intelligent risk control, and intelligent customer services.

Haitong Unitrust actively organizes and participates in exchanges in the financial technology industry. In 2023, it hosted the “Intelligent Computing Connecting the World” Computing Power Ecological Conference, and attended various events including the 2023 DAMS China Intelligent Data Management Summit, the 2023 World Artificial Intelligence Conference, the 2nd and 3rd innovation salons of the “Digital Futurea” Smart Finance Committee, and the IOTE 2023 Shanghai International Internet of Things Exhibition, during which it communicated closely with end customers, information service providers, and software development integrators of major IoT applications, seeking to work together to create a new development pattern for the computing power ecosystem.

CASE: Hosting the “Intelligent Computing Connecting the World” Computing Power Ecological Conference

In October 2023, Haitong Unitrust held the 2023 Computing Power Ecological Conference. With “Intelligent Computing Connecting the World” as the theme, the conference focused on cutting-edge technology fields such as computing power, information innovation, AI large models, and artificial intelligence, with the goal of establishing a platform for computing power technology and industry exchange and cooperation to jointly analyze core technologies and explore the development prospects of computing power.

The 2023 Computing Power Ecological Alliance was officially established. Haitong Unitrust and its computing power ecosystem customers witnessed the dedication of “One Haitong” to encourage high-quality development in the computing power sector and collaborate to create a new pattern of development for the computing power ecosystem.

5. Creating a Better Future Together

5.1 PROTECTING THE RIGHTS OF EMPLOYEES

- **STAFF RECRUITMENT AND EMPLOYMENT**

Haitong Unitrust strictly abides by laws and regulations including the *Labour Law of the PRC* (《中華人民共和國勞動法》) and the *Labour Contract Law of the PRC* (《中華人民共和國勞動合同法》). It has formulated and implemented a number of personnel systems and closely pursues talent management objectives, prohibits discrimination based on gender, age, nationality, race, and beliefs, and strives to establish a diverse talent pool.

The Company further strengthens employer brand building and attracts talents through a variety of recruitment channels, including recruitment websites, headhunting channels, the official WeChat account, and campus recruitment as well as a fair, just and open recruitment strategy. The Company continues to introduce and cultivate industrial talents to meet the needs of the industrial chain for industrial talents. It carries out the “Star Program” (恆星計劃) management trainee project to explore an independent training model for management trainees, supplemented by social recruitment.

The Company strictly verifies the identities of new employees to prevent the employment of child labour. In 2023, the Company was not aware of any violations such as employment of child labour or forced labour.

In 2023, the Company strengthened the management of basic human resource information, organized annual employee personal information verification work, and introduced the process for signing of electronic labour contracts and pre-employment, thereby further raising its level of human resource information management. In 2023, the Company’s labour contract signing rate was 100%.

5. Creating a Better Future Together

CASE: Carrying out Special Recruitment of Industrial Talents and Recruitment of Management Trainees under the “Star Program”

In 2023, Haitong Unitrust actively followed the spirit of the Notice No. 8 of the National Financial Regulatory Administration and adhered to the original intention of “serving the real economy” by introducing and training industrial talents and carrying out two special recruitments of industrial talents with the theme of “cultivating a fertile land for talents and recruiting industry elites”.

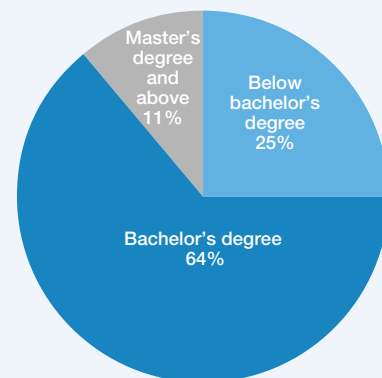
The Company actively participated in various campus recruitment activities as well as the recruitment of management trainees under the “Star Program”, thereby increasing the influence of the Company’s employer brand.



Recruitment of industrial talents and management trainees

In 2023, the Company introduced 381 market-oriented and professional talents and 57 management talents.

As at the end of 2023, the Company had a total of 1,712 employees.



Education level of employees as at the end of 2023

5. Creating a Better Future Together

- **EMPLOYEE BENEFITS**

The Company continues to improve the employee benefits and security system to fully protect the basic rights and interests of employees, and further optimizes employee benefits such as the corporate annuity plan, annual supplementary employee medical insurance, employee physical examinations, and company welfare leave.

- **EMPLOYEE HEALTH AND SAFETY**

In order to create a safe and healthy working environment for its employees, Haitong Unitrust has strengthened its daily security management and implemented various safety precautions in accordance with the applicable regulations of the public security and fire departments and the relevant requirements for safety management of the Company, so as to protect the personal and property safety of its employees.

The Company has formulated the *Emergency Response Plan for Sudden Social Security Incidents* (《突發社會安全事件應急處置預案》) to efficiently prevent, control, and handle all types of social security emergencies. In 2023, the Company regularly organized its employees to conduct safety education and fire drills and anti-fraud publicity to raise their awareness of safe practices. In 2023, the Company was not aware of any violations related to employee occupational health and safety.

CASE: Conducting “Fire Prevention and Safety” Fire Drill

In 2023, Haitong Unitrust organized a fire evacuation drill at the Haitong Unitrust Tower and its ancillary building to raise employee awareness of fire safety and strengthen their ability to cope with fires, evacuate, escape, and self-rescue at fire scenes.

The Company aims to increase fire safety emergency response, self-rescue, and mutual rescue capabilities, as well as create a safe office environment, by improving the investigation of public safety threats, risk prevention and control.



Fire drill

5. Creating a Better Future Together

CASE: Conducting Personal First Aid Training

In 2023, Haitong Unitrust arranged for 43 volunteers to receive personal first aid training in order to strengthen their emergency rescue capabilities.

The training combined theory and practice to teach CPR + AED operation, airway foreign body obstruction treatment, artificial respiration, and other first aid techniques, thereby boosting volunteers' professional knowledge and skills.



Personal first aid training

In 2023, the Company continued to improve its physical examination program for employees and, taking into account health market research data and the needs of female employees, launched a special physical examination program for female employees to meet employees' personalised health examination needs. In addition, the Company showed care for its employees' physical and mental health by actively organizing health activities such as shoulder and neck therapies, eye care and dental health.

CASE: Carrying out an Employee Physical Examination and Health Analysis and Exchange Activity

In September 2023, Haitong Unitrust conducted an employee physical examination and health analysis and exchange activity. It disseminated knowledge about follow-up therapy and everyday healthcare, and arranged for well-known doctors to provide targeted analysis of abnormal indicators in medical examination reports one-on-one for employees.

A total of 36 employees participated in this exchange activity, which answered employees' questions about anomalies in physical examination reports and strengthened their understanding of their own health status.



A well-known doctor interprets "one-on-one" physical examination report for an employee

5. Creating a Better Future Together

5.2 SUPPORTING THE DEVELOPMENT OF EMPLOYEES

- **IMPROVING THE TRAINING SYSTEM**

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

Training System of Haitong Unitrust

Management training	New employees training	Business training	Professional competence training	Internal trainer training
<ul style="list-style-type: none"> • The Company has launched various talent training programs such as “Sailing Program” (遠航項目) for cadre training and “Set Sail Program” (啓航項目) for supervisor training to further enhance the quality of managers and strengthen the building of talent pools 	<ul style="list-style-type: none"> • The Company has launched a new employee development program of “Building New Dreams (融新築夢)”, which provides specialized training for 90 days to help new employees integrate into the Company, identify with the Company’s culture and quickly adapt to their work 	<ul style="list-style-type: none"> • The Company has organized project manager certification training, business sharing sessions, “Pai An Shuo (拍案說)”, “Industry Research and Sharing Summit (產業研享匯)” and other business training to promote the capacity building of its business personnel 	<ul style="list-style-type: none"> • The Company has continued to enhance employees’ professional ethics and professional quality by organizing various programs such as “Ideological and Moral Cultivation Cloud Lecture (思想道德雲講堂)”, and “Workplace Enrichment (職場加油站)” 	<ul style="list-style-type: none"> • The Company has organized the “Sunflower (向日葵)” program for internal trainer training, focusing on course development and experience extraction, creating and accumulating high-quality courses, improving the course system and expanding the team of internal trainers

In 2023, Haitong Unitrust revised the *Management Measures for Cadres* (《幹部管理辦法》) to strengthen the management of cadres. The Company carried out training for key audiences such as the “Sailing Program” (遠航項目) for cadre training and the “Operation Sailing” (揚帆計劃) for youth talent training, as well as industry research training including the “Research in the Right Way” (研之有道) and the “Industry Research and Sharing Summit” (產業研享匯) to enhance the business capabilities of talents at all levels.

In 2023, the Company organized and implemented a total of 317 training sessions, covering 30,056 person-times, with an employee training coverage of 100%. The Company engaged and promoted 7 internal trainers, bringing the total number of internal trainers to 115 as at the end of the year. The Company developed 184 new training courses, with a total of 856 courses in the course library as at the end of the year.

5. Creating a Better Future Together

CASE: Carrying out the “Sailing Program” for Cadre Training

In 2023, Haitong Unitrust held the second “Sailing Program” for cadre training, with heads from various departments and branches participating in the training. The training focused on the theme “Culture builds consensus, values lead development” and included enterprise visits and corporate culture seminars. It improved management’s understanding of the importance of corporate culture, increased initiative in cultural implementation, and strengthened the sense of responsibility for cultural practice.



“Sailing Program” for cadre training

CASE: Carrying out the “Strategic Talent Decision-Making and Talent Evaluation” Training

Haitong Unitrust arranged for the heads of functional departments, business headquarters/business units and branches to receive the “Strategic Talent Decision-Making and Talent Evaluation” training and further strengthened talent evaluation.

The training was presented in the form of a “Talent Decision-Making Sand Table”, simulating talent management scenarios in business operations, incorporating management concepts and methods into specific talent decision-making, assisting the head of each unit in strengthening the introduction, cultivation, and motivation of talents, promoting the change of talent management ideas, and realizing the transition from business strategy to talent strategy.



“Strategic Talent Decision-Making and Talent Evaluation” training

5. Creating a Better Future Together

CASE: Organizing Special Training for Energy Storage Business of “Building an Elite Team and Creating Battle Maps”

In 2023, Haitong Unitrust established the Green Energy Business Department, and, following the three-step plan of “building a structure, forming a team, and empowering training”, organized special training for the energy storage business of “Building an Elite Team and Creating Battle Maps”. The training focused on the four key aspects of “combat goals, strategy, cooperation, and competence” in order to improve team cohesion, define corporate strategies, plan for business development paths, and enhance business skills.



Special training for energy storage business

• PERFORMANCE APPRAISAL AND PROMOTION

Haitong Unitrust is committed to building a scientific and effective performance management system as well as a rank promotion channel in order to provide its employees with a robust platform for career advancement. The Company continued to optimize its performance management system and established a closed-loop management of “objective setting and planning — performance monitoring and assessment — performance feedback and guidance — results application and rewards”. The Company regularly conducts unit performance appraisals and individual performance appraisals. Individual performance appraisals cover both performance appraisals and competency evaluations. The Company is committed to fostering a performance culture of coordinated development and mutual progress between employees and the Company by conducting a fair, comprehensive, and objective assessment of their work performance and abilities.

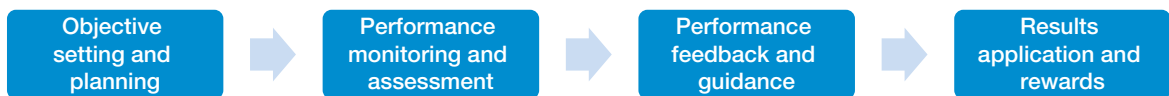
In addition, based on the *Implementation Rules for the Administration of Management Trainees of the “Star of Haitong Unitrust”* (《「恒信之星」管理培训生管理实施细则》), the Company conducts a separate performance evaluation for management trainees. The evaluation is based on both the performance and growth of the trainees and is subject to dual-line assessment by the relevant department and the human resources department.

In 2023, the Company conducted an online satisfaction survey of functional departments for 2022, covering eight areas: overall perspective, sense of responsibility, quick reaction, collaborative attitude, job performance, process management, principles, and professional competence. The “Sprint Win-Win Team Award” was given based on the overall scores and rankings of the functional departments. Furthermore, the Company passed the survey results and suggestions received during the survey to the respective functional departments in order to encourage these departments to further improve work quality, efficiency and expertise.

5. Creating a Better Future Together

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

Performance Management System of Haitong Unitrust



In 2023, Haitong Unitrust issued the *Talent Work Target Responsibility Guarantee 2023* (《2023年度人才工作目標責任書》) to assess talent work. Assessment items include talent evaluation and talent work summary, implementation of cadre and supervisor systems, youth talent team building, training system implementation, implementation of the remuneration system, performance assessment and efficiency management, talent selection and training quality, talent team infrastructure construction, and satisfaction assessment. Quantitative assessment includes the implementation and effectiveness of the assessment items. The Company has set up a talent fund to recognize and reward strong talent team building practices in each unit.

5.3 DEEPENING EMPLOYEE CARE

- **ENHANCING EMPLOYEE CARE**

In order to promote democratic management, Haitong Unitrust has established, improved and implemented the policy of the employee representative meeting, striving to build a communication bridge between employees and the Company. In 2023, the Company held an employee representative meeting, allowing employees to participate in democratic management of the Company in accordance with the law, support the Company's lawful production, operation and management activities, and protect their own legitimate rights and interests. In 2023, Haitong Unitrust signed collective wage contracts to protect the legitimate rights and interests of employees.

5. Creating a Better Future Together

The Company leverages the role of the trade union as a bridge and link to enhance the cohesion of its employees. On holidays and when employees celebrate their birthdays, get hospitalized, get married or give birth, the Company sends condolence letters and gifts to them via the trade union. In 2023, the Company visited employees on 1,909 occasions of birthdays, marriages, births, illnesses and bereavements.

In terms of employee care, the Company optimized the construction of staff homes and mummy cabins, held mid-day themed health lectures at lunchtime, and organized parent-child activities on weekends. In 2023, the Company assisted a total of 60 person-times with applications for residency permit points, various types of household registration and public housing applications. In terms of helping employees in need, the Company obtained information on the family situation of employees and helped employees in financial difficulties.

- **CREATING AN ENERGETIC WORKPLACE TOGETHER**

Haitong Unitrust actively organizes cultural and sports activities to enrich the leisure life of its employees and advocates work-life balance.

In 2023, the Company organized “Happy Haitong Unitrust Year” Spring Festival activities, Family Day activities, Women’s Day series of activities, outward bound activities, spring and autumn tours, and other cultural and sports activities, with a total of 1,700 participants. The Shanghai headquarters of the Company regularly organizes cultural and sports activities such as football, basketball, table tennis, billiards, yoga, flower arrangement, handicrafts and fitness, with a total of nearly 400 sessions.

5. Creating a Better Future Together

CASE: “Haitong Unitrust Women’s Power” Series of Activities

Haitong Unitrust celebrated Women’s Day with a series of activities themed “Haitong Unitrust Women’s Power” to honour “March 8th” International Women’s Day, enhancing the cultural life of female employees while exhibiting a healthy and active spirit.



“Haitong Unitrust Women’s Power” series of activities

CASE: Carrying out “Family Day” Activities

In June 2023, Haitong Unitrust connected the families of its employees across China through “Children’s Party” offline and “Cloud Live” online. Offline, nearly 100 employee families came to the Company’s headquarters for the June 1 Children’s Party. Online, families across China participated in Haitong Unitrust Family Day through online sports games and handicraft activities. The Family Day activities enhanced the employees’ sense of belonging to the Company.



Haitong Unitrust Family Day activity

5. Creating a Better Future Together

5.4 CONTRIBUTING TO SOCIETY

The report of the 20th National Congress of the Party pointed out that high-quality development is the primary task for building a modern socialist country in all aspects, and that accelerating the rural revitalization strategy is the “ballast stone” for consolidating high-quality development. Haitong Unitrust actively explores new ideas and directions to promote rural revitalization.

CASE: Donation to a Rural Revitalization Project in Yunnan Province

In order to further consolidate and expand the results of poverty alleviation and help with the rural revitalization of the area supported by Huangpu District, Haitong Unitrust participated in the donations to a bathroom renovation project at Denggala Village Primary School in Menglian County, Yunnan Province. The project has been completed and put into use, effectively improving the learning and living environment for students and teachers.



Donation to a bathroom renovation project at Denggala Village Primary School in Menglian County, Yunnan Province

CASE: Carrying out the “Haitong Unitrust Environmental Protection and Low-Carbon Practice” Public Welfare Outreach Activity

In 2023, the Company carried out the “Haitong Unitrust Environmental Protection and Low-Carbon Practice” public welfare outreach activity. Through interesting science lectures on animals and plants and practical interactions, the activity allowed employees to identify and personally participate in cleaning up invasive plants, to promote the spread of environmental protection concepts through practical actions, and to fulfill the corporate social responsibility to create a better new future together.



“Haitong Unitrust Environmental Protection and Low-Carbon Practice” public welfare outreach activity

5. Creating a Better Future Together

In terms of public welfare donations, the Company actively responded to the initiative of the “Haitong • Love & Health” public welfare campaign, and a total of 1,504 employees participated in the donation. The Company donated to the Shanghai Wildlife Conservation Association for biodiversity conservation, and participated in Huangpu District’s “First Greetings” public welfare activity for three consecutive years by working with Xiaodongmen Street in Huangpu District to help students from low-income families as well as disadvantaged teenagers. In 2023, the Company made total donations of RMB184,653.

In terms of volunteer services, the Company formulated the *Regulations on the Management of Volunteer Work* (《志願者工作管理規範》) to advocate the volunteer spirit of “dedication, friendship, mutual assistance and progress” and to promote the normalization of volunteer activities. The Communist Youth League of Haitong Unitrust organized volunteers to participate in a variety of public welfare and volunteer activities around China, including community aid for the elderly, clean homes, and civilized transportation.

As at the end of 2023, there were 290 registered volunteers on the Haitong Unitrust Volunteer Service Team. In 2023, the Company organized group volunteer activities, with a total volunteer service time of 191 hours and 96 person-times receiving help.

CASE: Carrying out “Studying the 20th National Congress of the Party and Volunteering for a New Journey” Series of Volunteer Activities

Haitong Unitrust organized the “Studying the 20th National Congress of the Party and Volunteering for a New Journey” series of volunteer activities. It called on young volunteers to actively participate in the centralized storage of hematopoietic stem cell information, and organized volunteers in the Company to provide traffic duty volunteer services at traffic junctions.

Such a series of activities promoted the volunteer service spirit of “dedication, friendship, mutual assistance and progress”, effectively promoted the normalization of volunteer service work, and strived to create a positive atmosphere of “if you have difficulty, find volunteers; if you have time, volunteer”.



“Studying the 20th National Congress of the Party and Volunteering for a New Journey” series of activities

5. Creating a Better Future Together

CASE: Supporting the South Bund “Financial Express” Volunteer Activity

The South Bund “Finance Express” activity was launched at the end of November 2022, and electronic ride codes were deployed in April 2023. Employees of cooperative entities can take buses for free using ride codes.

In April 2023, Haitong Unitrust organized volunteers to go to the Xinjing Financial bus station downstairs of the Company and act as “traffic coordinators” to help corporate employees take the bus in an orderly manner after work. Before the departure of the shuttle buses, the volunteers checked the electronic ride codes of the passengers one by one, patiently answered their questions, and warmly reminded everyone to pay attention to safety and line up for the bus.

CASE: Volunteering at the 6th China International Import Expo

The 6th China International Import Expo took place at the National Exhibition and Convention Center in Shanghai in November 2023. The Company’s Communist Youth League members volunteered to join the volunteer team at the 6th China International Import Expo after work, providing guiding services at the “Expo Passage” between the National Exhibition and Convention Center and Hongqiao Transportation Hub, contributing Haitong Unitrust’s power to the smooth operation of the 6th China International Import Expo and fully practicing and advocating the responsibility of the state-owned enterprises.



Volunteers at the 6th China International Import Expo

6. Consolidating Foundation to Support Steady Growth

6.1 DEVELOPMENT GUIDED BY PARTY BUILDING

Focusing on its main responsibilities and business, Haitong Unitrust promotes the deep integration of Party building and business operation to guide its high-quality development.

In 2023, the Company strengthened its efforts in building the Haitong Unitrust Party Building brand in five areas: improving institutional and mechanism construction, implementing Party building work evaluation, comprehensive and strict governance over the Party, strengthening low-level organizational construction, and deepening theme education.



Improving institutional and mechanism construction	<ul style="list-style-type: none">Improved the “One Position, Two Responsibilities” System for Party Conduct and Clean Governance, revised the Rules of Procedure for the Party Committee and the List of Pre-Consideration Items for the Party Committee to further clarify the boundaries of powers and responsibilities of the Party committee, the Board and office meetingRevised the Implementation Measures for the “Three Keys and One Major” Decision-Making System
Implementing Party building work evaluation	<ul style="list-style-type: none">Promoted the High-Quality Party Building Leading High-Quality Development Program and conducted an interim implementation assessment
Comprehensive and strict governance over the Party	<ul style="list-style-type: none">Created a task list for “four responsibilities coordination” in 2023, and implemented relevant work on Party conduct and clean governance construction
Strengthening low-level organizational construction	<ul style="list-style-type: none">Divided the organizational structure rationally in order to develop advanced Party branchesIn 2023, the Company established 10 Party branches, adjusted the structure of 8 Party branches, and set up 7 branch committees

6. Consolidating Foundation to Support Steady Growth

Deepening themed education

- Established a themed education leadership group and formulated and issued implementation plans
- Organized and carried out the Party building themed activity of “Studying and Implementing the Spirit of the 20th National Congress of the Party, Striving to Create Double First-Class”, so as to lead the construction of a first-class enterprise with first-class Party building
- Held two study classes for the study and discussion of special topics
- Launched a themed education column on the official WeChat account of Haitong Unitrust, and published a total of 14 column articles in 2023, which received 2,260 views

CASE: Holding the First Study Class for Themed Education

In May 2023, the Party Committee of Haitong Unitrust held the first study class on themed education.

The first study class focused on two topics: “Spirit of the 20th National Congress of the Party” and “Adhering to and Strengthening the Comprehensive Leadership of the Party”. The participants persisted in reading the original work, studying the original text, and comprehending the concepts. Through centralized studying and discussion, as well as watching video materials, they diligently studied the spirit of the 20th National Congress of the Party in order to deeply understand and study Xi Jinping’s Thought on Socialism with Chinese Characteristics for the New Era, thereby promoting the Company’s high-quality development of themed education.

6.2 ENHANCING CORPORATE GOVERNANCE

• Improving Governance Level

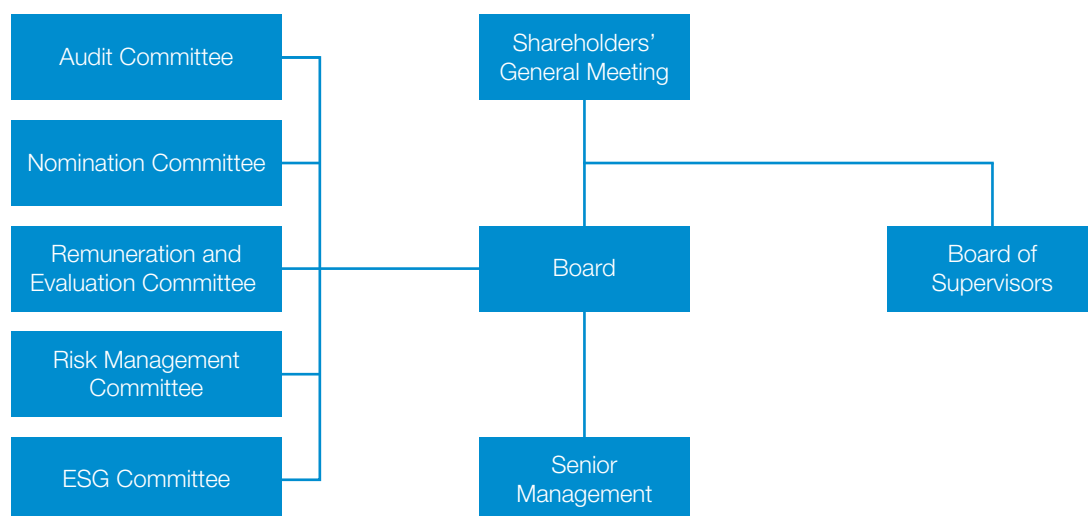
In strict accordance with the *Company Law of the PRC* (《中華人民共和國公司法》), the Listing Rules of the Hong Kong Stock Exchange and requirements of related laws and regulations, Haitong Unitrust has established a corporate governance structure comprising the general meeting of Shareholders, the Board of Directors and the Board of Supervisors (the “Three Meetings”) as well as senior management, so as to optimize the operational mechanism of the Three Meetings and enhance the level of corporate governance in accordance with the principles of transparency in rights and responsibilities as well as effective checks and balances.

6. Consolidating Foundation to Support Steady Growth

The Company has established the Audit Committee, the Nomination Committee, the Remuneration and Evaluation Committee, the Risk Management Committee, and the ESG Committee under the Board. Each of the professional committees performs its own duties and works together to ensure the standardization, science and effectiveness of the Board's decision-making.

In 2023, the Company revised the *Rules of Procedure for the Remuneration and Evaluation Committee of the Board* (《董事會薪酬與考核委員會議事規則》) in view of the development needs and changes in the governance environment, in order to further strengthen the fairness, transparency and effectiveness of its remuneration and evaluation mechanism.









Management Structure of Haitong Unitrust



The Company holds general meetings of Shareholders, Board meetings and meetings of the Board of Supervisors in strict accordance with the governance requirements for listed companies to ensure that the legitimate rights and interests of the Company and its shareholders are protected. Furthermore, the Company evaluates the diversity of Board members from a variety of perspectives, including gender, age, cultural and educational background, and professional experience.

6. Consolidating Foundation to Support Steady Growth

Composition of the Board of Directors and the Board of Supervisors of Haitong Unitrust and the Relevant Meetings in 2023

Composition of the Board of Directors and the Board of Supervisors		Meetings held	
	Two executive Directors Five non-executive Directors Four independent non-executive Directors		Two general meetings of Shareholders
	Two female Directors		Ten Board meetings
	One Shareholder representative supervisor		Three meetings of the Board of Supervisors
	Two employee representative supervisors		Thirteen meetings of professional committees of the Board

- Strengthening Information Disclosure**

The Company strictly fulfils its information disclosure obligations as a listed company in accordance with the regulations to ensure the completeness, compliance, and transparency of information disclosure, thereby effectively protecting the legitimate rights and interests of investors, particularly small- and medium-sized investors.

In 2023, the Company, as a listed company, completed regular and temporary information disclosure such as the monthly returns on movements in securities, overseas regulatory announcements, announcements on major events, notices of shareholders' general meetings and regular reports. A total of 100 announcements were published.

In 2023, the Company, as a bond issuer, issued the annual report on bonds for 2022 and the interim report on bonds for 2023 on the Shanghai Stock Exchange and the National Association of Financial Market Institutional Investors, as well as the related interest payment announcements, and completed the disclosure of overseas regulatory announcements for more than 30 prospectuses for the issuance of bonds, asset-backed notes and asset-backed securities by the Company.

- Investor Relations Management**

The Company places a high value on investor relations management. It actively establishes communication channels with investors, timely summarizes and analyzes the concerns of investors, and ensures the effective and orderly implementation of investor relations management.

In 2023, the Company conveyed information on the operation and results of the Company to investors through publishing announcements on the Stock Exchange, the website of the Company, official WeChat account and social media platforms, in order to fully showcase the Company's latest development concepts, advantages, and

6. Consolidating Foundation to Support Steady Growth

achievements to the market. In addition, the Company enhanced investors' understanding and recognition of the Company by receiving on-site research from shareholders.

The Company values paying back to its shareholders. While maintaining its sustainable operation and development, the Company is committed to protecting and promoting the long-term interests of its shareholders, as well as sharing operating results with all shareholders.

On July 25, 2023, the Company completed the distribution of annual dividends for 2022 and distributed cash dividends of RMB0.58 per 10 shares (inclusive of tax) based on total share capital as at December 31, 2022 (8,235,300,000 shares), totalling RMB477,647,400.00 (inclusive of tax).

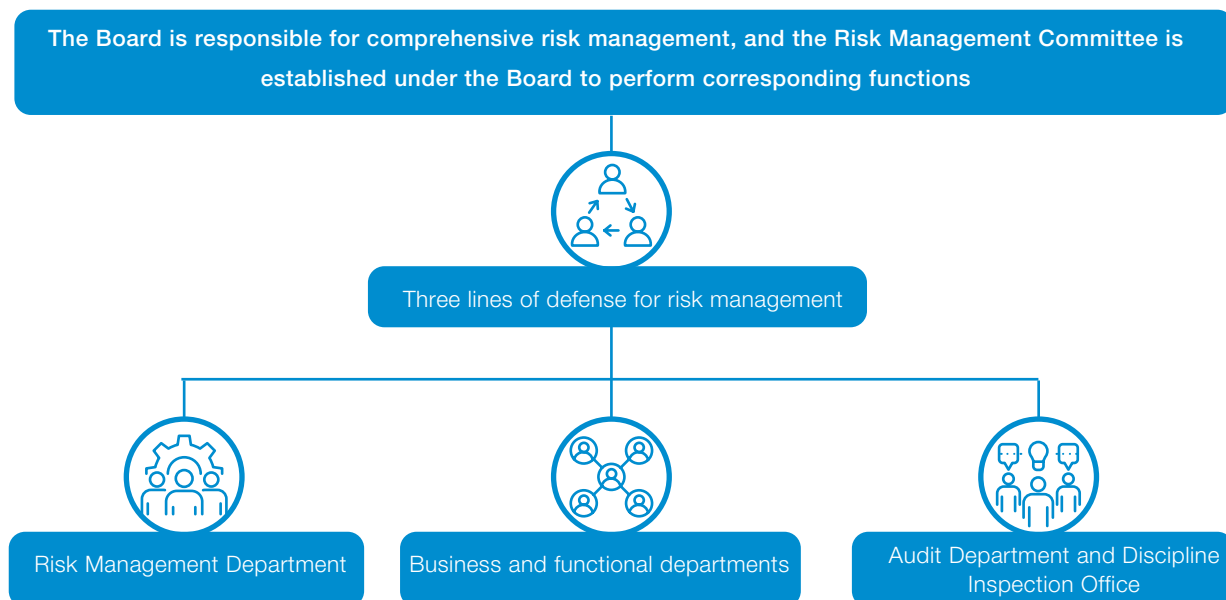
On December 8, 2023, the Company completed the distribution of interim dividends for 2023 and distributed cash dividends of RMB0.48 per 10 shares (inclusive of tax) based on total share capital as at June 30, 2023 (8,235,300,000 shares), totalling RMB395,294,400.00 (inclusive of tax).

6.3 RISK AND COMPLIANCE MANAGEMENT

- **Risk Management**

Haitong Unitrust adheres to the risk culture concept of matching operational efficiency and effectiveness, and has built a top-down risk management structure. Following a sound yet flexible risk policy and taking the comprehensive risk management system and internal control management system as the starting point, it implements risk management and control requirements to ensure that risks are known, controllable, and tolerable.

Risk Management Structure of Haitong Unitrust

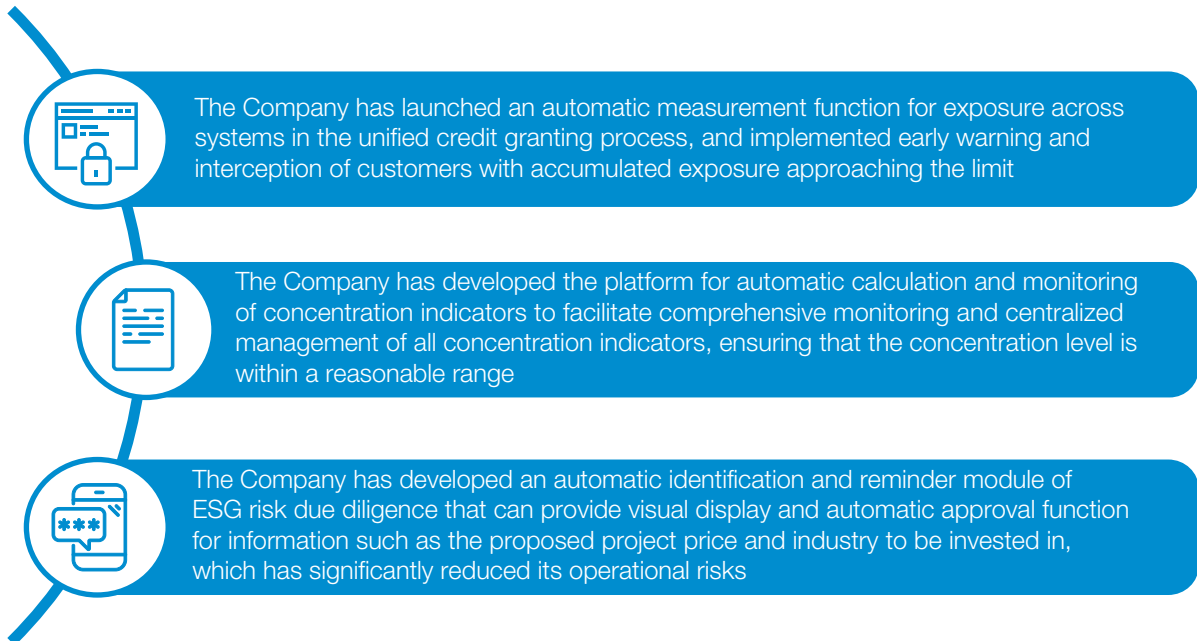


6. Consolidating Foundation to Support Steady Growth

In 2023, the Company optimized its due diligence mechanism and approval requirements. It revised the *Credit Approval and Authorization Management Measures* (《授信審批授權管理辦法》) and the *Due Diligence Management Measures* (《盡職調查管理辦法》), and formulated 13 industry guidelines and product operation plans such as the *Credit Review Guidelines for the Building and Construction Industry for 2023* (《2023年建築建設行業信審指引》) and the *Credit Review Guidelines for Energy Supply Industry for 2023* (《2023年能源供應行業信審指引》).

In terms of financial technology application, with data as the basis and quantification at the core, the Company integrated various risk management measures into its business operations to enhance the systematization and refinement of risk management. In 2023, the Company realized round-the-clock public opinion monitoring for customers via an intelligent risk warning system, as well as proactive risk management through the use of various risk investigation and mitigation methods for distinct risky public opinions.

Fintech Helps to Enhance Comprehensive Risk Management



In terms of risk management for damage and loss of leased assets, the Company has developed the *Implementation Rules for Maintenance of Insurance for Leased Assets* (《租賃物保險投保實施細則》) and maintains insurance for leased assets in order to mitigate project losses caused by the accidental destruction of leased assets. In 2023, the Company paid a total premium of RMB33.71 million, with insurance-covered contracts accounting for 96.2% of total contracts.

6. Consolidating Foundation to Support Steady Growth

Customer ESG Due Diligence System of Haitong Unitrust

The Company has developed identification standards for customers with high ESG risks. For customers with potential high ESG risks, when the accumulated risk exposure with the Company exceeds a certain amount, the Company undertakes ESG due diligence, records the ESG risk assessment results, and compiles an ESG due diligence evaluation form. In 2023, the Company conducted ESG due diligence on seven enterprises.

The ESG due diligence method of the Company mainly involves using the ESG due diligence evaluation form to check whether its customers are involved in relevant negative events, and verifying whether they meet the relevant requirements by requesting them to provide relevant materials or commitment letters based on the evaluation criteria.

Dimensions of ESG risk evaluation

The ESG due diligence evaluation system includes three main areas of environmental (E), social (S), and governance (G), with core topics and key indicators. Industry-specific ESG risk topics are included in the ESG due diligence evaluation system for different industries, and the weighting of topics will be adjusted based on the characteristics of the industries

- Environmental (E): emissions and waste management and climate change response, etc.
 - Social (S): employee management and supply chain management, etc.
 - Governance (G): business ethics, etc.
-

ESG risk trigger points and corresponding measures

Risk trigger points:

- For customers with potential high ESG risks, when the accumulated risk exposure with the Company exceeds a certain amount, business units are required to conduct ESG due diligence
 - Customers who have experienced significant negative ESG events or whose ESG risk assessment results fall below the prescribed threshold are identified as customers with high ESG risks
-

Corresponding measures:

- For customers identified as those with high ESG risks, the business unit must conduct a prudent evaluation of their ESG risks and develop an ESG risk response plan before entering into any formal business cooperation with them
 - For customers in the business continuity period, regular or irregular ESG risk re-evaluations shall be conducted, and response measures shall be taken to mitigate risks, and ESG risk response plans shall be formulated
-

6. Consolidating Foundation to Support Steady Growth

CASE: Organizing Employees to Participate in Special ESG Training

In order to further improve the ESG risk awareness and level of business personnel, Haitong Unitrust arranged for a total of more than 30 employee representatives from the Business Department, Credit Approval Department, Risk Management Department and other departments to attend the special ESG training organized by Haitong Securities in June 2023.

Later, the Company further communicated the management requirements and management concepts of the training course and organized business personnel to attend the training course at Haitong Wealth Research Institute, with a total of 116 participants.

CASE: Comprehensive Consideration of Customer ESG Risks in Business Investigation and Evaluation

Founded in 2003 and located in a technology industrial park in Dongguan City, Guangdong Province, a company is dedicated to the research and development and production of small molecule innovative drugs, biological innovative drugs and similar drugs.

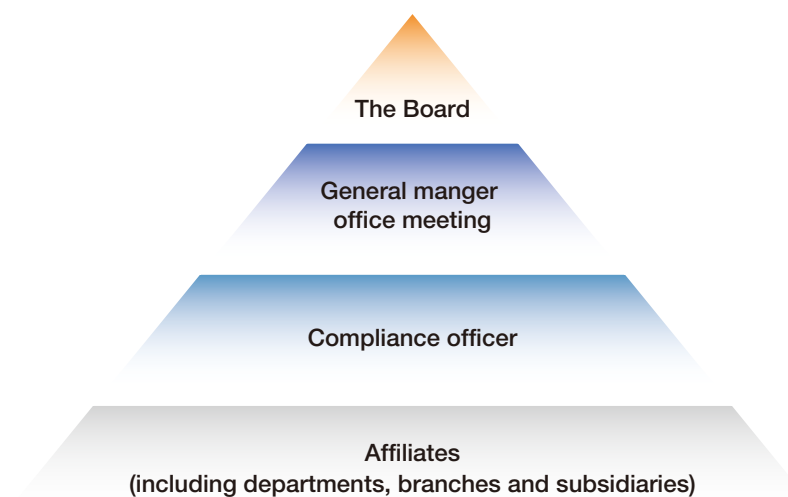
Haitong Unitrust conducted due diligence on such customer by conducting on-site visits, browsing the websites of relevant regulatory authorities, reviewing social responsibility reports and other public information, and assigned scores based on the newly released pharmaceutical manufacturing management capability rating card and investigating related negative events. The customer passed the evaluation and was classified as a non-high ESG risk customer.

- **Compliance Management**

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

6. Consolidating Foundation to Support Steady Growth

Levels of Compliance Management System of Haitong Unitrust



In 2023, the Company revised the *Rules and Regulations Management Measures* (《規章制度管理辦法》), the *Management Measures for Delegation of Authority* (《授權管理辦法》) and the *Compliance Manual* (《合規手冊》), and improved the *Legal Review Guidelines for Non-Business Contracts* (《非業務類合同法務審核指引》) to make improvements to its internal compliance requirements.

In 2023, the scope of routine inspections carried out by the Company was expanded to cover the entire process of due diligence, credit approval, review of leased assets and contract signing and loan grant, with 71 inspection points identified based on the business system and a total of 19 recommendations made in response to the issues discovered. In addition, the Company carried out comprehensive and systematic development in five areas, including regulatory policy collection, regulatory information reporting, conflict of interest verification, system library management, and compliance assessment, to enable functions such as automated system list acquisition and visualization of historical report data.

Special Compliance Inspection of Haitong Unitrust in 2023

- 1 Compliance inspection on certain business units were conducted to improve compliance risk prevention and system implementation and refine internal management
- 2 Special review of the escrow accounts management were conducted to establish and improve the management mechanism for escrow accounts and pose-lease conditions

6. Consolidating Foundation to Support Steady Growth

In terms of compliance culture construction, in 2023, the Company continued to conduct the “Year of Consolidating the Culture of Compliance and Internal Control” activity, incorporated Party building themed activities into the Year of Consolidating the Culture of Compliance and Internal Control activity, and enhanced employees’ awareness of compliance in business development through measures such as producing compliance publicity VCRs and conducting compliance training.



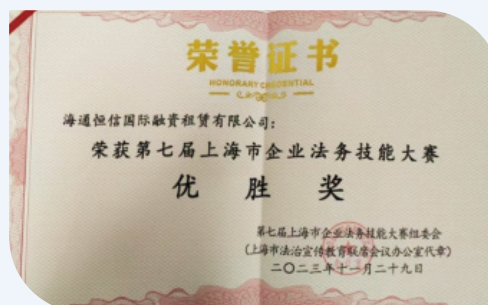
Won 2023 Kaimao Compliance Culture Construction Award jointly issued by China Centre for Anti-Money Laundering Studies Fudan University and the Lujiazui Financial Security Institute, etc.

CASE: Convening the 2023 Compliance Managers Conference

To thoroughly implement the work requirements of the “Year of Consolidating the Culture of Compliance and Internal Control”, Haitong Unitrust convened a conference for compliance managers with the theme “Improving the Group’s Compliance Management System and Emphasizing the Responsibilities of Compliance Management Personnel”, so as to strengthen the compliance management work of the Company.

Participants discussed and exchanged ideas on compliance system construction, compliance work content, compliance management capabilities, and other topics. Through the Compliance Managers Conference, the compliance officers of the Company have gained a clearer understanding of the current regulatory environment and regulatory focus, as well as a deeper comprehension of their mission and value.

ACHIEVEMENT: Won the Excellence Award at the 7th Shanghai Corporate Legal Skills Competition



Excellence Award issued by the Organizing Committee of the 7th Shanghai Corporate Legal Skills Competition

6. Consolidating Foundation to Support Steady Growth

- **Intellectual Property Protection**

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

In 2023, the Company has completed the software copyright registration for its main core business system and obtained legal software copyright registration certificates. As at the end of 2023, the Company owned eight software copyrights and had not experienced any incidents of infringement of intellectual property rights of others.

6.4 ADHERING TO BUSINESS ETHICS

- **Anti-corruption**

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

In 2023, the Company carried out routine, outgoing, and special audits and integrity checks, added integrity-related test questions to the "Project Manager Certification" exam question bank, and conducted quarterly integrity risk self-inspections.

In respect of business ethics audits, the Company regularly performs various internal audits, including routine audits, outgoing audits, and special audits, so as to ensure that all employees abide by *the Employee Code* (《員工守則》), anti-corruption and other relevant laws and regulations and the rules and regulations of the Company.



CASE: Conducting Typical Case Warning Educational Activity of "Keeping Integrity in Mind and Adhering to Original Intentions"

In September 2023, Haitong Unitrust Party Committee conducted a typical case warning educational activity to strengthen Party conduct and clean governance construction and teach and guide Party members and cadres to strengthen their awareness of integrity and self-discipline.

Through 16 typical cases of violations of discipline and laws, this educational activity employed cases as warnings, cases to clarify disciplines, and cases to explain, educate, and guide cadres and employees in working with integrity, upholding integrity, and establishing correct values, views on power, and outlooks on life, thereby increasing Party members' and cadres' consciousness and sense of responsibility to abide by laws and regulations, be honest and self-disciplined, and fulfill their duties.

6. Consolidating Foundation to Support Steady Growth

CASE: Conducting Integrity and Self-Discipline Training Activities

In 2023, the Company introduced a course on “Be a Haitong Unitrust employee that respects professional ethics, abides by the bottom line of discipline, and promotes responsible acts” on the platform of the Haitong Wealth Research Institute, thereby further strengthening education and publicity on integrity, self-discipline and professional ethics.

The Company has formulated the *Regulations on the Handling of Complaints* (《信訪工作規定》) to effectively safeguard the legitimate rights and interests of its employees, promote the implementation of responsibilities in handling complaints, and ensure the stable operation of the Company and the safety of its employees. In addition, the Company formulated the *Administrative Measures for Discipline Inspection, Supervision and Complaint Handling* (《紀檢監察信訪工作管理辦法》) and the *Implementation Rules for Supervision and Enforcement of Discipline Inspection and Supervision Departments (Provisional)* (《紀檢監察部門監督執紀工作實施細則(暫行)》), which stipulate the whistle-blowing channels. Whistle-blowers may report any violation of the Party discipline or the rules of the Company by employees to relevant departments of the Company by letter, phone call, fax, visit, email or other means. The Company provides effective channels for complaining about “four forms of decadence”, such as hotlines and email addresses, through the OA office system.

In respect of whistle-blower protection, the *Implementation Rules for Supervision and Enforcement of Discipline Inspection and Supervision Departments (Provisional)* and the *Administrative Measures of Employees for Non-compliance with Rules and Regulations* (《工作人員違反規章制度行為處罰管理辦法》) also stipulate that the Company must protect whistle-blowers’ real names and seriously investigate and punish any retaliatory behaviors that violate rules and regulations, so as to effectively protect the legitimate rights and interests of whistle-blowers.

In 2023, there were no corruption lawsuits filed or concluded against the Company or its employees.

- **Anti-Money Laundering and Anti-Unfair Competition**

The Company carries out anti-money laundering and fair competition in accordance with the requirements of laws and regulations such as the *Anti-Money Laundering Law of the PRC* (《中華人民共和國反洗錢法》) and the *Anti-Unfair Competition Law of the PRC* (《中華人民共和國反不正當競爭法》). In 2023, the Company was not aware of any violations related to money laundering or unfair competition.

6. Consolidating Foundation to Support Steady Growth

CASE: Conducting Anti-Fraud Publicity Training

In 2023, Haitong Unitrust held anti-fraud publicity training on “Police and enterprises work together to build a line of defense and everyone beware of fraud” to enhance employees’ awareness of fraud prevention. The training content covered common types of fraud such as false investment, obtaining subsidies via email, FaceTime fraud, impersonating bosses, selling concert tickets, unexpected delivery, impersonating teachers for money, and foreign student kidnapping fraud. More than 100 employees of the Company attended this training both online and offline.



Anti-fraud publicity training

The Company enhanced employees’ anti-fraud awareness through strengthening police-enterprise cooperation and anti-fraud publicity, adding a layer of protection to telecommunications network security.

• Supplier Management

The suppliers of the Company are mainly companies in sectors such as IT, engineering, equipment, service, and low-value consumables.

The Company strictly complies with the *Government Procurement Law of the PRC* (《中華人民共和國政府採購法》), the *Bidding Law of the PRC* (《中華人民共和國招標投標法》) and other laws and regulations. It has formulated the *Measures for Management of Purchasing* (《採購管理辦法》) and the *Requirements for Selection and Management of Bidding Agencies* (《招標代理機構選用及管理要求》), which standardize the entire process of procurement, clarify the management responsibilities of relevant departments towards suppliers, and regulate procurement management. The Company promotes green procurement through preferential procurement of environment-friendly furniture with water-based paint as well as energy-saving and water-saving equipment.

The Company also pays attention to the business ethics and social responsibility of suppliers, and strictly monitors and prevents various commercial bribes from suppliers through screening, evaluation and regular inspection of suppliers. All suppliers are required to sign the *Supplier Integrity Commitment* (《供應商廉潔誠信承諾書》), which explicitly rejects gifts or other acts that involve direct or indirect bribery or improper benefits. In addition, the suppliers are also required to provide relevant supporting documents to prove that they have not been involved in any major illegal activities such as corruption, so as to strictly monitor and prevent all kinds of commercial bribery and bid and tender rigging. In 2023, the Company achieved a signing rate of 100% for the Supplier Integrity Commitment.

In 2023, the Company was not aware of any violations by suppliers in terms of business ethics, environmental protection and labour codes, etc. that cause major actual or potential adverse impacts.

ESG Data Performance Tables

I ECONOMIC PERFORMANCE INDICATORS

Indicator	Unit	2021	2022	2023
Total assets	RMB100 million	1,147.41	1,245.14	1,233.51
Profit before tax ^(Note 1)	RMB100 million	19.32	20.56	21.52
Total tax paid	RMB100 million	6.16	10.84	11.46
Of which: value-added tax	RMB100 million	0.37	2.83	1.11
Of which: corporate income tax	RMB100 million	4.58	6.53	8.50
Of which: other taxes	RMB100 million	1.21	1.48	1.85
Basic earnings per share	RMB Yuan/share	0.16	0.17	0.18
Social contribution value per share ^(Note 2)	RMB Yuan/share	0.68	0.78	0.82

Note 1: Represents profit before income tax.

Note 2: [Method of calculation] Social contribution value per share = (Net profit of the Company + taxes generated for the state during the year + wages paid to employees + interest on loans paid to creditors such as banks + external donations and other value created for other stakeholders – other social costs due to environmental pollution, etc.)/total number of shares of the Company.

II ANTI-CORRUPTION PERFORMANCE INDICATORS

Indicator	Unit	2021	2022	2023
Number of closed corruption lawsuits filed against the Company and its employees	Case	0	0	0
Number of anti-corruption training sessions ^(Note)	Session	3	8	18
Number of employees receiving anti-corruption-related training ^(Note)	Person	500	858	1,032
Number of Directors receiving anti-corruption-related training	Person	2	2	2

Note: In 2021, the target group of the training was mid-level cadres and business backbone personnel. In 2022 and 2023, more efforts were put into anti-corruption training, and the training was also provided to employees of the UniFortune Subsidiary. The number of training sessions also increased. As such, the number of employees participating in anti-corruption-related training showed an upward trend.

ESG Data Performance Tables

III SUPPLIER PERFORMANCE INDICATORS ^(NOTE)

Indicator	Unit	2021	2022	2023
Suppliers in Mainland China	Company	522	479	740
Suppliers overseas and in Hong Kong, Macau and Taiwan	Company	29	13	30

Note: In 2023, the Company increased bidding and procurement from multiple supplier bases in view of its operational needs. As there were a lot of new suppliers, the number of suppliers has increased compared with previous years.

IV CUSTOMER SERVICE PERFORMANCE INDICATORS

Indicator	Unit	2021	2022	2023
Number of customer inquiries	Case	427,144	349,915	226,774
Including: Number of reasonable complaints ^(Note 1)	Case	2	0	0
Percentage of complaint resolution ^(Note 2)	%	100.00	100.00	100.00
Customer satisfaction	%	99.6	99.6	99.5
Number of verified complaints for customer privacy infringement and losses of customer information	Case	0	0	0

Note 1: Since there have been many unreasonable complaints, only reasonable ones were included in the calculation for the purpose of the accuracy of statistical data. As a result, the Company disclosed the indicator "number of reasonable complaints", which was specifically defined as those for which the regulatory bodies hold the Company accountable.

Note 2: [Method of calculation] Percentage of complaint resolution = the number of complaints that were closed/total number of complaints.

V EMPLOYEE EMPLOYMENT AND TRAINING PERFORMANCE INDICATORS

EMPLOYEE EMPLOYMENT PERFORMANCE INDICATORS

Indicator		Unit	2021	2022	2023
Total number of employees (including dispatched labours)		Person	1,907	2,026	1,812
By gender	Male	Person	1,231	1,314	1,141
	Female	Person	676	712	671
By employment type	Number of full-time contract employees ^(Note 1)	Person	1,807	1,926	1,712
	Number of full-time dispatched employees	Person	100	100	100
By age group	>50 years old	Person	28	25	25
	30 to 50 years old	Person	1,396	1,559	1,486
	<30 years old	Person	483	442	301
By region	Mainland China	Person	1,898	2,020	1,808
	Overseas and Hong Kong, Macau and Taiwan	Person	9	6	4
Employee turnover rate ^(Note 2)		%	21.50	15.94	32.89
By gender	Male	%	24.21	18.87	39.61
	Female	%	16.57	10.53	21.46
By age group	>50 years old	%	3.57	12.00	36.00
	30 to 50 years old	%	20.42	17.13	32.97
	<30 years old	%	25.67	11.99	32.23
By region	Mainland China	%	21.39	15.89	32.80
	Overseas and Hong Kong, Macau and Taiwan	%	44.44	50.00	75.00
Employee leave	Number of female employees taking maternity leave	Person	38	28	19
	Proportion of female employees back to work after taking maternity leave ^(Note 3)	%	97	100	100

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

ESG Data Performance Tables

Note 2: [Method of calculation] Employee turnover rate in a specific category = the number of employees in the specified category leaving employment during the year/the number of employees in the specified category at the end of the year. In 2023, the UniFortune Subsidiary transformed its business ecosystem model and adjusted its employment structure to meet business development needs, resulting in a higher employee turnover rate in 2023 compared to previous years.

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

EMPLOYEE TRAINING PERFORMANCE INDICATORS

Indicator	Unit	2021	2022	2023
Person-times of employee training	Person-time	13,456	30,273	30,056
Coverage of employee training ^(Note 1)	%	100.00	100.00	100.00
By gender	Male	64.55	64.87	62.97
	Female	35.45	35.13	37.03
By employee category	Senior management	0.47	0.45	0.44
	Middle management	3.83	3.50	4.64
	General employees	95.70	96.05	94.92
Training duration per employee ^(Note 2)	Hour	33	37	49
By gender	Male	33	37	51
	Female	33	35	46
By employee category	Senior management	58	77	72
	Middle management	44	40	45
	General employees	33	36	48

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

Note 2: [Method of calculation] Training duration per employee per year in a specific category = the total number of hours of training received by employees in the specific category/the number of employees in the specific category. In 2023, the Company increased its investment in training and the number of training sessions increased, thus the number of training hours received per employee increased compared to previous years.

VI OCCUPATIONAL HEALTH AND SAFETY PERFORMANCE INDICATORS

Indicator	Unit	2021	2022	2023
Coverage of physical examination for employees ^(Note 1)	%	100.00	100.00	100.00
Lost days due to work injury ^(Note 2)	Day	41	0	0
Ratio of work-related fatalities	%	0	0	0

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

Note 2: In 2021, two employees of the Company were injured in traffic accidents on their way to work or on business trips, and the Company promptly reported work-related injuries for them, which were confirmed as work-related injuries after assessment by the competent authorities.

VII CHARITY PERFORMANCE INDICATORS

Indicator	Unit	2021	2022	2023
Total charitable and other donations	RMB Yuan	0	1,038,000	184,653
Number of participants of volunteer service ^(Note)	Person-time	67	1,023	96
Total volunteer service hours	Hour	228	2,000	191

Note: During the COVID-19 pandemic in 2022, the Company's employees actively participated in community volunteer services. With the resumption of offline office in 2023, the number of participants in volunteer service and total volunteer service hours returned to the pre-pandemic level.

ESG Data Performance Tables

VIII ENVIRONMENTAL PERFORMANCE INDICATORS (NOTE 1)

Indicator	Unit	2021	2022	2023	
Total greenhouse gas emissions (scope 1 and scope 2) <small>(Note 2)</small>	Ton of CO ₂ equivalent	2,556	1,924	2,092	
Greenhouse gas emissions per person (scope 1 and scope 2)	Ton of CO ₂ equivalent/person	1.34	0.95	1.15	
Greenhouse gas emissions (scope 1 and scope 2) per unit area	Ton of CO ₂ equivalent/m ²	0.07	0.04	0.05	
Total scope 3 greenhouse gas emissions <small>(Note 3)</small>	Ton of CO ₂ equivalent	2,899	2,529	1,166	
Total power consumption <small>(Note 4)</small>	kWh	3,398,890	3,046,661	3,358,595	
Power consumption per person	kWh/person	1,782.32	1,503.04	1,853.53	
Power consumption per unit area	kWh/m ²	90.61	70.71	95.22	
Total water consumption	Ton	22,869	18,459	17,773	
Water consumption per person	Ton/person	11.99	9.11	9.81	
Water consumption per unit area	Ton/m ²	0.61	0.43	0.50	
Total natural gas consumption <small>(Note 4)</small>	m ³	41,407	34,339	42,403	
Natural gas consumption per person	m ³ /person	21.71	16.94	23.40	
Natural gas consumption per unit area	m ³ /m ²	1.10	0.80	1.20	
Gasoline consumption of self-owned vehicles	Litre	46,786	42,048	38,218	
Hazardous waste <small>(Note 4)</small>	Used batteries	Unit	503	560	282
Non-hazardous waste <small>(Note 5)</small>	Ink boxes	Gram	24,500	22,050	31,850
	Toner cartridges	Pack	62	91	109
	Kitchen waste	Ton	120	64	118
	Domestic waste	Ton	—	—	375
	Waste paper	Ton	—	—	6

Note 1: [Data scope] The data scope of natural gas consumption and intensity and total waste in 2021 included Haitong Unitrust Tower, and the data scope of other statistics included Haitong Unitrust Tower, Haitong UniFortune (including all its offices in China), MSE Subsidiary (including all its offices in China) and 17 branches. The data scope of natural gas consumption and intensity and total waste since 2022 included Haitong Unitrust Tower, and the data scope of other statistics included Haitong Unitrust Tower, Haitong UniFortune (including all its offices in China), MSE Subsidiary (including all its offices in China) and 21 branches (of which three branches were established in 2023).

- Note 2: [Method of calculation] The direct energy used by the Company includes natural gas and gasoline, while the indirect energy includes electricity. Scope 1 greenhouse gas emissions include direct greenhouse gas emissions by natural gas consumption and gasoline consumption of vehicles owned by the Company. Scope 2 greenhouse gas emissions include indirect greenhouse gas emissions by outsourced power, which are calculated based on the *Notice on the Reporting and Management of Greenhouse Gas Emissions by Enterprises in the Power Generation Industry for 2023–2025* issued by the Ministry of Ecology and Environment.
- Note 3: [Method of calculation] The statistical scope of the Company's scope 3 greenhouse gas emissions includes the emissions generated by airplanes and taxis during the business travels of the employees of the Company, as well as direct emissions from hotel stays during those trips. The calculation methodology and emission factors for scope 3 greenhouse gas emissions during employees' business trips for 2021 and 2022 are estimated using the Greenhouse Gas Protocol Scope 3 calculation tool. The calculation methodology for 2023 is based on the *GHG Protocol – A Corporate Accounting and Reporting Standard* and the *GHG Protocol – Corporate Value Chain (Scope 3) Accounting and Reporting Standard*. In 2023, the greenhouse gas emission factor for business trips used by the Company is derived by combining the China Environmental Expansion Input-Output Database, the *Methodology for Reducing Emissions from Low Carbon Travel in Beijing (Trial) (2023)* (《北京市低碳出行减排方法学(试行)》(2023)), and a correction to China's PPI in 2022. The emission factor has decreased compared with before, resulting in a significant decrease in scope 3 greenhouse gas emissions during employees' business trips in 2023.
- Note 4: The Company's power consumption and natural gas consumption increased in 2023 as compared with 2022, since many employees worked from home in 2022 and then returned to the office in 2023. The quantity of used batteries is estimated based on the number of batteries received. Working from home resulted in lower battery usage in 2022, and certain batteries were extended for continuous use in 2023. As such, the quantity of used batteries of the Company in 2023 decreased as compared with 2022.
- Note 5: The non-hazardous waste generated by the Company mainly includes the office waste and kitchen waste. In 2023, the Company included office waste such as domestic waste and waste paper in the statistical scope, and classified ink boxes and toner cartridges as non-hazardous waste with reference to the *National Hazardous Waste List (2021 Edition)*.

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Aspects, General Disclosures and KPIs			Description	Section
Part B: Mandatory Disclosure Requirements				
	Mandatory Disclosure of Governance Structure			ESG Management Statement of the Board 1.2 ESG Management
	Reporting Principles			About the Report
	Reporting Boundary			About the Report
Part C: Comply or Explain Provisions				
A. Environmental				
Aspect A1: Emissions				
General Disclosure A1	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.			2.3 Adhering to Green Operation
KPI A1.1	The types of emissions and respective emissions data.			ESG Data Performance Tables
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).			ESG Data Performance Tables
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).			ESG Data Performance Tables
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).			ESG Data Performance Tables
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.			2.3 Adhering to Green Operation

Aspects, General Disclosures and KPIs		
Aspects, General Disclosures and KPIs	Description	Section
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.	2.3 Adhering to Green Operation
Aspect A2: Use of Resources		
General Disclosure A2	Policies on the efficient use of resources, including energy, water and other raw materials.	2.3 Adhering to Green Operation
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (KWh in '000s) and intensity (e.g. per unit of production volume, per facility).	ESG Data Performance Tables
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	ESG Data Performance Tables
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	2.3 Adhering to Green Operation
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	2.3 Adhering to Green Operation
KPI A2.5	Total packaging materials used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	This indicator is not applicable to the Company's products
Aspect A3: The Environment and Natural Resources		
General Disclosure A3	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	2.3 Adhering to 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.	2.3 Adhering to Green Operation
Aspect A4: Climate Change		
General Disclosure A4	Policies on identification and mitigation of significant climate-related topics which have impacted, and those which may impact, the issuer.	2.1 Climate Change Management
KPI A4.1	Description of the significant climate-related topics which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	2.1 Climate Change Management

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Aspects, General Disclosures and KPIs			Description	Section
B. Social				
Employment and Labour Practices				
Aspect B1: Employment				
General Disclosure B1	Information on:			5.1 Protecting the Rights of Employees
	(a)	the policies; and		
	(b)	compliance with relevant laws and regulations that have a significant impact on the issuer		
		relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.		
KPI B1.1		Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.		ESG Data Performance Tables
KPI B1.2		Employee turnover rate by gender, age group and geographical region.		ESG Data Performance Tables
Aspect B2: Health and Safety				
General Disclosure B2	Information on:			5.1 Protecting the Rights of Employees
	(a)	the policies; and		
	(b)	compliance with relevant laws and regulations that have a significant impact on the issuer		
		relating to providing a safe working environment and protecting employees from occupational hazards.		
KPI B2.1		Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.		5.1 Protecting the Rights of Employees
KPI B2.2		Lost days due to work injury.		ESG Data Performance Tables
KPI B2.3		Description of occupational health and safety measures adopted, and how they are implemented and monitored.		5.1 Protecting the Rights of Employees

Aspects, General Disclosures and KPIs	Description	Section
Aspect B3: Development and Training		
General Disclosure B3	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	5.2 Supporting the Development of Employees
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	ESG Data Performance Tables
KPI B3.2	The average training hours completed per employee by gender and employee category.	ESG Data Performance Tables
Aspect B4: Labour Standards		
General Disclosure B4	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	5.1 Protecting the Rights of Employees
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	5.1 Protecting the Rights of Employees
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	5.1 Protecting the Rights of Employees
B. Social		
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure B5	Policies on managing environmental and social risks of the supply chain.	6.3 Risk and Compliance Management
KPI B5.1	Number of suppliers by geographical region.	ESG Data Performance Tables
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	6.3 Risk and Compliance Management

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Aspects, General Disclosures and KPIs		
Aspects, General Disclosures and KPIs	Description	Section
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	6.3 Risk and Compliance Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	6.3 Risk and Compliance Management
Aspect B6: Product Liability		
General Disclosure B6	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	4.1 Improving Customer Service Quality 4.2 Strengthening Data Governance and Security
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product recalls are not applicable to the Company's products
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	4.1 Improving Customer Service Quality ESG Data Performance Tables
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	6.3 Risk and Compliance Management
KPI B6.4	Description of quality assurance process and recall procedures.	Product recalls are not applicable to the Company's products
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	4.2 Strengthening Data Governance and Security

Aspects, General Disclosures and KPIs		
	Description	Section
Aspect B7: Anti-corruption		
General Disclosure B7	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	6.3 Risk and Compliance Management 6.4 Adhering to Business Ethics
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	ESG Data Performance Tables
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	6.3 Risk and Compliance Management 6.4 Adhering to Business Ethics
KPI B7.3	Description of anti-corruption training provided to directors and staff.	6.3 Risk and Compliance Management 6.4 Adhering to Business Ethics ESG Data Performance Tables
Aspect B8: Community Investment		
General Disclosure B8	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	5.4 Contributing to Society
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	5.4 Contributing to Society
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	5.4 Contributing to Society

INDEX TABLE OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) INDICATOR SYSTEM FOR STATE-OWNED LISTED COMPANIES IN SHANGHAI (VERSION 1.0)

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E Environment		
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E1.1	Environmental management objectives and systems	2.1 Climate Change Management 2.3 Adhering to Green Operation
E1.2	Passing environmental management system certification	Not applicable to the Company
E1.3	Research and development of green products and use of environmental protection technologies	Not applicable to the Company
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E1.5	Environmental protection training performance	2.3 Adhering to Green Operation
E2 Energy		
E2.1	Energy management goals and planning	2.1 Climate Change Management 2.3 Adhering to Green Operation
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E2.3	Renewable energy development and application	2.3 Adhering to Green Operation
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E3 Resources		
E3.1	Resource management system and planning	2.3 Adhering to Green Operation
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E3.5	Other resource usage management	2.3 Adhering to Green Operation

Provisions and Disclosure		Section
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E4.2	Measures to reduce sewage discharge	Not applicable to the Company
E4.3	Sewage recycling usage	Not applicable to the Company
E4.4	Sewage pollutant discharge	Not applicable to the Company
E4.5	Waste gas management goals and planning	Not applicable to the Company
E4.6	Measures to reduce waste gas discharge	Not applicable to the Company
E4.7	Waste gas pollutant emissions	Not applicable to the Company
E4.8	Solid waste management goals and planning	2.3 Adhering to Green Operation
E4.9	Solid waste treatment measures	2.3 Adhering to Green Operation
E4.10	Solid waste emissions	ESG Data Performance Tables
E4.11	Solid waste recycling, utilization, and disposal volume	Not applicable to the Company
E4.12	Other pollutants management	Not applicable to the Company
E5 Climate Change		
E5.1	Identify climate change risks and establish goals and strategies to address climate change	2.1 Climate Change Management
E5.2	Measures to support the “emission peak and carbon neutrality” goal	2.1 Climate Change Management
E5.3	Carbon verification/review measures	ESG Data Performance Tables
E5.4	Greenhouse gas emissions	ESG Data Performance Tables
E6 Biodiversity		
E6.1	Biodiversity conservation system	Not applicable to the Company
E6.2	Biodiversity conservation measures	5.4 Contributing to Society

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S1.4	Intellectual property protection	6.3 Risk and Compliance Management
S1.5	Customer information protection and privacy	4.1 Improving Customer Service Quality
S1.6	Customer service management system	4.1 Improving Customer Service Quality
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S2.7	Employee occupational health and safety management	5.1 Protecting the Rights of Employees
S2.8	Passing occupational health and safety management system certification	5.1 Protecting the Rights of Employees
S2.9	Safety emergency management measures	5.1 Protecting the Rights of Employees
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G1.5	Risk management system	6.3 Risk and Compliance Management
G1.6	Audit system	6.3 Risk and Compliance Management
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海通恆信國際融資租賃股份有限公司
Haitong Unitrust International Financial Leasing Co., Ltd.