

Statement of Haitong Securities Co., Ltd. for Supplier Management

The Statement of Haitong Securities Co., Ltd. (hereinafter referred to as Haitong Securities or the Company) for Supplier Management has summed up Haitong Securities' expectations and requirements of all suppliers and their staff. The suppliers of the Company must abide by local laws, regulations and industry standards and observe the Statement when it is applicable to local laws.

I. Types of Suppliers

As a financial industry enterprise, Haitong Securities mainly engages with suppliers in the technology, infrastructure, and comprehensive services sectors.

Procurement types and contents

Procurement type	Procurement content
Technology procurement	Procuring hardware, software, infrastructure and services related to information technology
Infrastructure procurement	Procuring goods, engineering projects and services related to construction, rebuilding, extension, fitting-up, demolition and repair of buildings and structures
General procurement	Procuring goods such as furniture, vehicles and office electrical appliances as well as services such as legal advisory service, investment consultation, assessment and testing services, insurance services, etc.

II. Supplier Management Mechanism

The Company has set up a uniform procurement management system featuring vertical collaboration and cross-department coordination. Procurement activities are subject to decision making and administration by relevant units as per the division of responsibilities. The Company establishes a Procurement Management Committee (hereinafter referred to as the "PMC") to coordinate and oversee procurement activities. The members of the PMC include the General Manager Office, Human Resources Department, Compliance Management Department, Legal Affairs Department, Audit Department, Planning and Finance Department, Fintech Department, Software Development Center, Data Center, Infrastructure Project Management Office, and Shanghai Weitai Property Management Co., Ltd. The PMC has two subcommittees, namely the Technology Procurement Working Group and the Infrastructure Procurement Working Group.

In 2022, the Company further refined the mechanisms related to selection, access and management of suppliers. The *Supplier Management Measures of Haitong Securities Co., Ltd. (Trial)* has explicitly provided definitions and procedures of selecting suppliers into the qualified supplier list, and stipulated particulars, procedures and measures with respect to supplier integrity management, supplier evaluation management, awards and punishments, exit and so on.

Measures for Routinized Supplier Management

Selection of suppliers into the qualified supplier list

- The selection shall observe the principles of fairness, openness, equality, competition and cost-effectiveness. It is forbidden to differentially treat or discriminate suppliers based on unreasonable conditions.
- Selection of suppliers to award bids to, to transact with or to enter the candidate list shall go through the procurement methods and evaluation methods as required by state laws, regulations and internal provisions.

Supplier integrity management

- The execution unit and the requirement unit should keep integrity management of suppliers in the selection stage and the contract performance stage, and impose necessary punitive measures on those violating the integrity principle.

Supplier evaluation management

- Upon completion of procurement in the e-mall, the procurement executer should evaluate the supplier for this procurement in the e-mall.
- Suppliers not for centralized procurement in the e-mall are subject to selection evaluation, performance evaluation and annual comprehensive evaluation. The supplier management unit shall establish evaluation criteria for suppliers of each category.

III. Supplier Anti-corruption Policy

Haitong Securities has strictly according to the *Bidding Law of the People's Republic of China*, the *Regulation on the Implementation of the Bidding Law of the People's Republic of China* and other governing laws and regulations, formulated or revised the *Administrative Measures of Haitong Securities Co., Ltd. for Integrity in Practice*, the *Supplier Management Measures of Haitong Securities Co., Ltd. (Trial)*, the *Rules of Haitong Securities Co., Ltd. for IT Service Providers*, the *Implementation Rules of Haitong Securities Co., Ltd. for Engaging Third-Party Service Providers for Investment Banking Projects (Trial)*, the *Integrity and Self-discipline Rules of Infrastructure Workers of Haitong Securities Co., Ltd.*, the *Notice on Adjusting the Provision of the Letter of Notice on Query Results of Bribery Crime Files in Supplier Qualification Review*, etc. to strictly press forward with supplier management and practice green and clean procurement. The Company has made it clear that employees participating in bidding activities shall observe relevant regulations on integrity in practice, sign relevant integrity commitment, and strictly abide by the bidding discipline. The Company requires all suppliers to formulate an anti-corruption policy and oversees suppliers' compliance with anti-corruption regulations. Relevant contacts have specified anti-commercial bribery clauses or integrity agreements.

Management Measures for Clean Procurement

- ✓ In bidding activities, the Company requires all bidding suppliers to sign and make the undertakings that they shall not collude with the tenderee or other bidders that jeopardizes national interests, social wellbeing or legitimate rights and interests of others; shall not bribe the tenderee or members of the bid evaluation committee to win the bid.
- ✓ The Company requires suppliers to prevent evidences proving they had no records of material crimes of offering briberies within the recent three years and

	to sign the integrity agreement or anti-commercial bribery clauses.
✓	When reviewing supplier qualifications and contracts, the Company makes use of enterprise qualification inquiry channels offered by courts, third-party credit reference institutions and the like to double check whether suppliers have records of material illegalities of bribery or corruption. Upon finding and verifying that a supplier had such illegalities, the Company will handle the supplier as per governing rules and hold it accountable according to contractual clauses.
✓	The Company also requires employees participating in procurement activities to strictly follow the internal self-disciplines on clean practice, and has in place punitive rules to advocate for clean internal and external environments for procurement.

IV. Paying Attention to Suppliers' ESG Performance

The President Office of Haitong Securities is responsible for paying major attention to suppliers' performance in fulfilling social responsibilities such as environmental protection, safe construction and labor management in the development, implementation and effect evaluation of the procurement plan. For example, the Company requires suppliers to strictly abide by and implement national and local laws, regulations and policies on safe construction, environmental protection and labor management during construction of infrastructure projects. The Company denies access of suppliers with relevant major violations or records of major misconduct. In the development of the supplier qualification requirements for specific bidding projects, the setting of comprehensive scoring standards and subsequent evaluation of suppliers, the Company pays continuous attention to whether suppliers have a sound internal governance system, ISO quality management system, the environmental management system certificate, the green and environmental protection certificate, etc. and guides and encourages suppliers to better fulfill their social responsibilities by setting evaluation criteria and indicators.

In terms of green procurement, Article 4 of the *Management Measures for Centralized Procurement (Trial)* promulgated by the Company in October 2022 explicitly provides that centralized procurement shall opt for products meeting energy conservation and environmental protection requirements of state policy; that in bidding for large IT equipment or electric apparatuses, the Company shall require bidders to offer products meeting China's environmental standards and energy consumption standards, and give additional points in supplier evaluation to those with ISO14001 environment management system certificate, national green product label or sophisticated enterprise green management system.