

**Haitong International and  
China-U.K. Climate and Environmental Information Disclosure Pilot Working Group  
Jointly Release “Chinese Financial Institutions’ Route to Achieving Carbon Neutrality”  
Report**

**Hong Kong, 8 April 2021** – Haitong International Securities Group Limited (“Haitong International” or “The Group”, stock code: 665.HK) and China-U.K. Climate and Environmental Information Disclosure Pilot Working Group (“the Pilot Working Group”) jointly released today the “Chinese Financial Institutions’ Route to Achieving Carbon Neutrality” report (“The Report”), which is the first of its kind to provide guidelines for Chinese financial institutions to reduce carbon emission.

In 2020, Haitong International has joined the "China-U.K. Climate and Environmental Information Disclosure Pilot Working Group" as the only Chinese IB member in the initiative. The Pilot Working Group was established in 2017 by the China Society for Finance and Banking and City of London’s Green Finance Initiative. In view of the agreement by the Chinese and U.K. governments in strengthening the cooperation in the green finance space and encouraging financial institutions of the two nations to pilot climate and environmental information disclosure, the Pilot Working Group was founded to serve as an important platform to facilitate discussions and information exchange between the Chinese and U.K. financial institutions

The Report found that among the 121 financial institutions of the 2020 Fortune Global 500 companies, 30 of them have achieved carbon neutrality in its business operations. However, none of the Chinese financial institutions has achieved or committed to a carbon neutrality goal yet.

With China announcing its commitment to “peak emissions before 2030 and achieve carbon neutrality before 2060”, Haitong International and the Pilot Working Group jointly conducted a research to outline the steps for Chinese financial institutions to achieve carbon neutrality. The Report aims to serve as a guide for the entities to reduce carbon emissions, and assist the Chinese financial institutions to swiftly commence their carbon neutrality plans.

The Report suggested that the Chinese financial institutions can achieve carbon neutrality through three stages — Carbon Accounting, Carbon Reduction and Carbon Offset. The Report also outlined concrete implementation procedures based on the stages.

	Carbon Accounting		Carbon Reduction		Carbon Offset	
	<b>Implementation Procedures</b>	Carbon auditing	1) Set accounting coverage 2) Identify emission sources 3) Calculate emission amount 4) Construct list of emissions	Area One	1) Energy transition 2) Reduce usage of carbon emitting facilities	Renewable energy usage
Design carbon neutrality plan		1) Design emission reduction strategy 2) Calculate cost of carbon offset 3) Design carbon neutrality plan	Area Two	1) Energy conservation 2) Increase energy efficiency 3) Use green energy sources 4) Develop green buildings	Carbon trading	1) Purchase carbon credits 2) Purchase VER (Verified Emission Reduction)
Carbon emission report / Information disclosure		1) Third party auditing 2) Reporting/ Information disclosure	Area Three	1) Reduce carbon-related activities 2) Reduce carbon-related materials usage		

The Report also appealed the Chinese financial institutions to achieve Asset Carbon Neutrality through actively expanding their green finance businesses, in order to reduce carbon footprints in investment and financing activities. This can also accelerate the low-carbon development of other sectors. For example, securities houses or investment banks can facilitate green/carbon reduction related financing through underwriting green bonds for energy, industrial, construction and public utilities corporations etc. Asset management firms can also introduce carbon funds, or green and low-carbon themed equity and bond funds etc.

Haitong International was among the forerunners to support the carbon neutrality target laid out by the Chinese government. In 2020, the Group published its first ESG statement, pledging to achieve carbon neutrality by the end of 2025. This is the first publicized commitment for carbon neutrality among the financial institutions in Hong Kong, 25 years ahead of the city's target. According to the latest ESG rating by MSCI, Haitong International has been upgraded to 'A' rating and is of a leading position among Chinese financial institutions. Haitong International has also underwritten a total of 11



Green Bonds, one Blue Bond (Marine-related bond) and one Anti-Epidemic Bond issuances in 2020, raising a total of USD 3.29 billion. As of 8 April 2021, Haitong International has already participated in 10 Green Bond issuances, with total underwritten amount reaching USD 2.6 billion.

Looking ahead, Haitong International will continue to put Sustainable Finance in actions through leveraging its unique capital intermediary role of investment, financing, consultancy and research, and contribute its efforts to build Hong Kong as a global ESG investment hub in Asia.

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### **Haitong International Securities Group Limited**

Haitong International Securities Group Limited (“Haitong International”; Stock Code: 665.HK), together with its subsidiaries, is an international financial institution with established presence in Hong Kong and a rapidly expanding network across the globe. It strives to serve as a bridge linking up the Chinese and overseas capital markets. The parent company of Haitong International is Haitong Securities Co. Ltd (“Haitong Securities”, Stock Code: 600837.SH; 6837.HK).

To date, Haitong International has well positioned to serve about 200,000 corporate, institutional, as well as retail and high-net worth clients worldwide. Its well-established financial services platform provides corporate finance, wealth management, asset management, institutional clients (key businesses include fixed income, currency and commodities (FICC), derivatives, institutional equities) and investments business, and a full spectrum of financial products and services. Haitong International possesses a sound risk management system that is in line with international standards. The company has been assigned a “Baa2” long-term issuer rating by Moody’s and a “BBB” long-term credit rating by Standard and Poor’s. Haitong International has a global financial servicing network covering the world’s major capital markets including Hong Kong, Singapore, New York, London, Tokyo, Mumbai, and Sydney, thereby making it to be a leading global financial institution with international competitiveness, systematic importance and brand influence.

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