



2022
HYWIN HOLDINGS LTD.
SUSTAINABILITY REPORT



# CONTENTS

## 05. About Us

- · About Us
- · Development Achievements
- ·Development Path
- ·Awards
- ·Global Layout

#### 1<u>A</u> Corporate Governance

- ·Board of Directors
- ·Corporate Governance Structure
- ·Profiles of Directors
- ·Our Major Shareholders
- ·Board Governance
- ·Disclosure of Listed Company

## 19 Compliance

- ·Integrity and Abidance by the Law
- · Anti-Bribery and Anti-Corruption
- · Anti-Money Laundering and Anti-Fraud
- ·Legal and Compliance
- ·Taxation

## 23. Sustainable Development Roadmap

- ·Sustainable Development
- · Joining the UN-PRI
- ·Sustainable Development Strategy Analysis of Substantive Topic

#### Talent Strategy

- ·Our People
- ·Our Incentive
- ·Awards for Our Talent Development
- ·Learning and Development
- ·Staff Association
- ·Community Services

#### 39 Client Service

- · Client Centricity
- · Segmented Proposition
- · Client Services Ecosystem
- · Tailored Events

## 45. Investor Education

- ·Hywin Investor Education
- ·Onsite Courses
- · Digital Courses

## 49. Digital Infrastructure

- ·Information Security
- ·Security Architecture
- ·Best Practices

## 55. Hywin Philanthropy

- · Great Love Represents Responsibility
- ·Hywin Foundation
- · Making Difference
- ·Honors & Awards



## Message from the CEO

ESG and sustainable development have become a global consensus guiding the corporate world. To Hywin, sustainable development means capability building to nurture internal strengths, and making contribution to external stakeholders. For the past 17 years, Hywin has pursued growth and transformation with excellence results, aided by international consultancies such as McKinsey, BCG, and Willis Towers Watson. Our strategy-making, corporate governance, risk management and compliance are benchmarked against global best practices and underpin our competitiveness and resilience. At the same time, Hywin has been an impactful member of the community and an important contributor to our industry, creating opportunities and value for our society, clients, shareholders, and employees.

ESG has been an inspiration for Hywin, and is highly aligned with our values. To fully embed the principles of ESG into our corporate journey, Hywin became a signatory to the United Nations-supported Principles for Responsible Investment (PRI) Initiative in Apr 2022. Now, Hywin is proud to release our first Sustainability Report, as a guidebook that reviews our achievements in corporate governance, societal contributions, innovation, client services and talent development, and as a roadmap for our sustainable growth.

As China embarks on a new era of high quality development, "innovation, coordination, green, openness and sharing" will be the guiding light for corporate citizens in their quest to make a real difference. Hywin aspires to uphold and practice ESG in everything we do, and build a world-class company that creates value for stakeholders, gives back to the community, and becomes a champion of sustainability in China and the world.

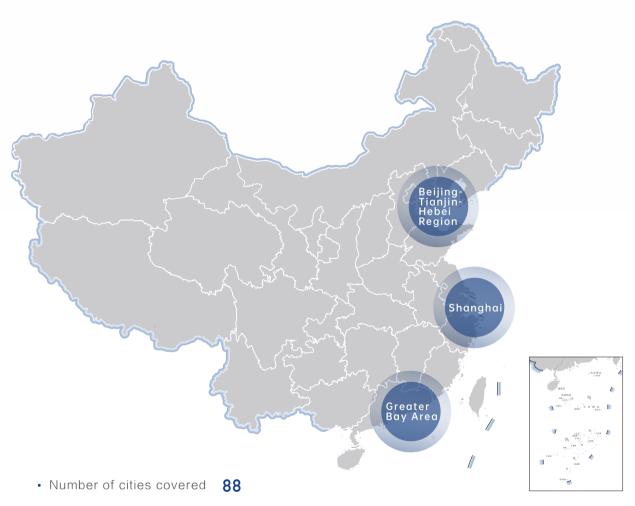
Ms. Dian Wang
CEO, Hywin Holdings Ltd.

# ABOUT HYWIN



#### **About Hywin**

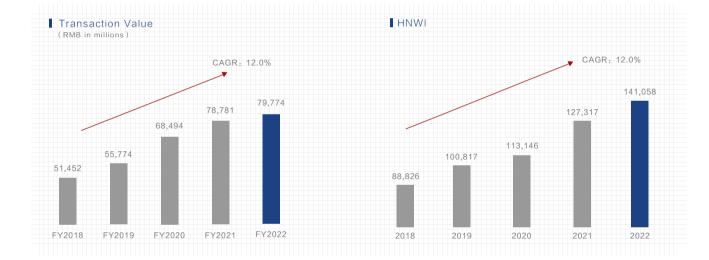
Hywin Holdings Ltd. was established in the core area of Lujiazui, Shanghai in 2006, and has since earned its place among other well-known domestic and international financial investment institutions. In more than ten years of development, the company has established 178 wealth centers in 88 major cities in China (as of June 2022), and is in the process of expanding operations to Hong Kong, the UK, and the US among other places.

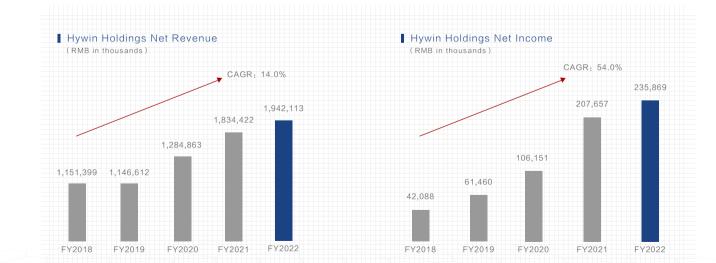


- Total number of wealth centers 178
- Total number of financial planners approximately 1.700

#### **Our Achievement**

Over 95% of those employed in the core talent team have previous experience in banking and related financial organizations. A master's degree or higher and overseas work experience are the standard, as are professional financial industry qualifications such as CFA, CPA, and FRM, and a wealth of experience in asset management and investment institutions such as banks and securities companies. Our team of senior professionals, which consists of lawyers, tax accountants, and investment consultants, provides diversified asset allocation consulting services for more than 100,000 high-net-worth individuals and institutions. Over the years, Hywin has stood tall through every stage of the economic cycle. Steadfast and compliant, it has earned the trust of clients and contributed to the development of the industry. Hywin is committed to becoming a leader in the wealth management industry.





AS

## OUR **JOURNEY**

• The total number of wealth centers exceeds 100

2016

2017

• The family wealth management business is born

The Hywin Family Wealth Management Office is established

The Special Report on Wealth Inheritance Code 2016 is released in collaboration with Hurun

2015

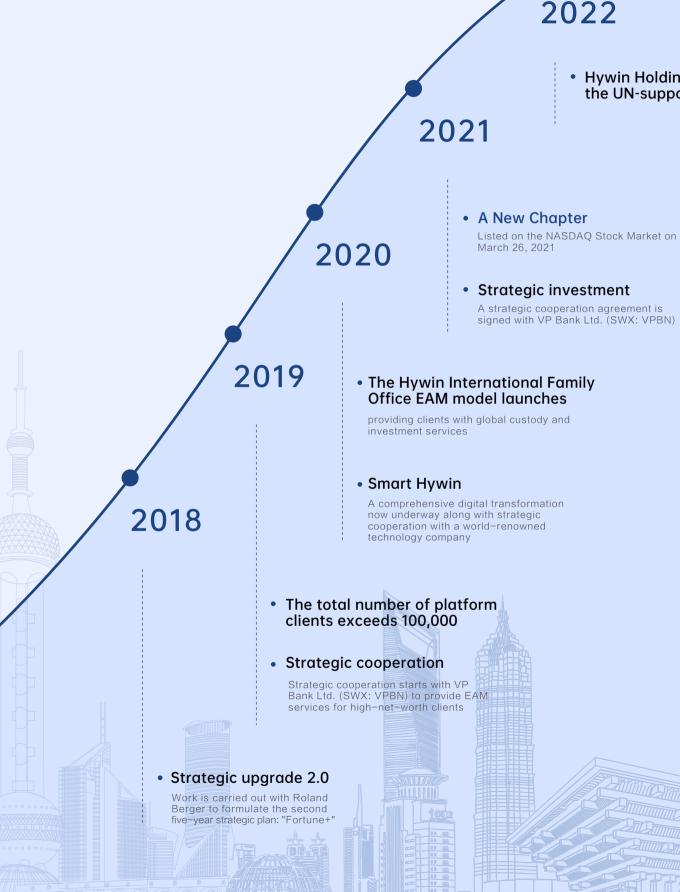
• Strategic upgrade 1.0

The start of strategic cooperation with McKinsey and the first five-year strategic plan: "one body with

• The Hywin Fund obtains a fund sales license

 Founded in November 2006 in Shanghai, China

2006



2022

 Hywin Holdings Ltd. joins the UN-supported PRI

#### **Honors and Awards**

In 17 years of constant development and outstanding performance, Hywin has been recognized with hundreds of major domestic and international awards, earning a global reputation as a pioneer in the Asian wealth management industry, with recognition extending to mainstream institutions and media.

2019	"2019 Excellent Wealth Management Company" Golden Shell Award	《21st Century Business Herald》
2020	"Excellent Enterprise Cases of Financial Technology Innovation and Application 2020" · · · · · · · · China Golden Tripod Award "Annual Comprehensive Strength Wealth Management Institution" · · · ·	«xinhuanet» «Daily Economic News»
2021	Listed Company with the Most Investment Value 2021  Listed Company of the Year	《China Business Journal》 《Snowball》
2022	Winner of the "Top 5 Most Competitive Wealth Management Institutions in China" for the seventh consecutive time	《ChinaVenture》
	"Wealth Management Institution Worth Entrusting" for the six consecutive time	《Economic Observer》
2019	"Family Office Client Services" & "Client Education Services"	《Asian Private Banker》
2021	"Wealth and Society ESG Corporate Commitment Certificate 2021" Award	《The Asian Banker》
2022	Winner of the "Best Wealth Management Institution in Greater China" & "Best CEO in the Wealth Management Industry in Greater China" three years in a row	《WealthBriefingAsia》



Partial of our rewards.

#### **Global Franchise**

#### Focusing on multi-dimensional global services

We work together with first-class domestic and international asset management institutions to provide clients with the best products on the market anywhere, first with wealth, and then reaching beyond. We are committed to offering a diversified portfolio of asset allocation consulting services that cover the entire process of wealth creation, preservation, and inheritance to achieve more than just wealth. We provide you with financial management, taxation, and identity planning among other professional consulting services. We can also integrate the best in international medical resources to offer you the highest quality of physical examinations, medical support, and health management for a better quality of life.





# CORPORATE GOVERNANCE

Hywin's Board of Directors is active in supervising and promoting the agenda of sustainable development and promoting the implementation of Hywin's sustainable development vision and is responsible for reviewing and approving Hywin's sustainable development strategies and goals.

#### **Board of Directors**







Sound corporate governance is the cornerstone of sustainable development. We strictly abide by the laws and regulations of the places where we operate and where we are listed, and operate in compliance with laws and regulations. Effective corporate governance is critical to implementing our business model and driving long-term and sustainable value creation. We promote a sound and effective mechanism of authority and responsibility, adhere to clear, transparent, honest and compliant operations, and improve our internal risk control capabilities and risk response capabilities by improving our management systems and mechanisms to ensure long-term, stable operations and sustainable profitability, so as to give back to investors and clients.

In terms of the procedures and standards involved in the review and selection of board nominees, we consider gender, age, cultural and educational background, industry experience, and professional expertise. Hywin's Board of Directors consists of 6 members (including 3 female directors). The current members of the board hail from diverse backgrounds in business management, financial accounting, finance, auditing, insurance, and risk management among other fields. We also take gender equality on the board very seriously. It has been proven to improve work efficiency, strengthen internal communication and innovation, and improve a wide range of other non-financial indicators. We believe in women in leadership roles, and it is an important part of our commitment to board diversity.

Three of the directors on our board are independent (accounting for half), effectively supervising the operation of the board and providing objective, professional advice on the company's operations. The benefits of a diverse and independent board of directors to the long-term development of the company are irreplaceable. Diversified experience, professional knowledge, and independent opinions and judgments enable the company to prevent and control risk and avoid conflicts of interest while implementing company strategies and maximizing the interests of the company and shareholders.

In fiscal year 2022, Hywin held a total of 6 board meetings (each with 100% attendance rate), 4 meetings of the audit committee, and 1 annual general meeting of shareholders. Shareholders, directors, and stakeholders were able to discuss the company's major business issues in full, effectively improving Hywin's business performance and corporate governance.

#### **Corporate Governance Structure**

As the management and decision-making body, the Board of Directors has an Audit Committee, with independent directors serving as the chair and members. In accordance with the requirements of the SEC, the number of independent non-executive directors on the board accounts for half (3/6) of the members, ensuring transparency and efficiency in operations.



#### Individual tenure of directors

Ms. Jie Chen Independent Director 3.3 years
Mr. Joel A. Gallo Independent Director 2.4 years
Mr. Vincent Chun Hung Chan Independent Director 0.5 years

Members of the board of directors are selected by the board of directors and consist primarily of industry professionals with a background and professional abilities in the financial industry. For detailed backgrounds of the directors, please refer to Hywin's Annual Report.

#### **Board of Directors**

	Male	Female	
30~50 years old	1	1	
51 years old and above	2	2	

#### **Board Committees**

Name of Director	Role
Mr. Hongwei HAN	Director
Ms. Dian WANG	Director
Ms. Shuming ZHU	Director
Ms. Jie CHEN	Independent Director/Chairman of the Audit Committee
Mr. Joel A. GALLO	Independent Director/Audit Committee Member
Mr. Vincent Chun Hung CHAN	Independent Director



#### **Profiles of Directors**

Chairman of the Board

Chairman of Hywin Financial Holding

Mr. Hongwei HAN

Chairman of China Guijiu Group
Founding President of the Henan Enterprise Association in Shanghai
Rotating Chairman of the Shanghai Entrepreneur Association
Executive President of the Shanghai Federation of Enterprises
(Chambers of Commerce) in Shanghai

Director

Ms. Shuming ZHU

COO of Hywin Capital Management LLC Bachelor of Science, Renmin University of China; Master of Science, Boston University

Independent Director

Mr. Joel A. GALLO

CFO of CoinTiger
CFO of ETAO International Group
CEO of Columbia China League Business Advisory Co.
Co-founder and Principal of GLS Group LLC
B.A. in Management, Binghamton University - State University of
New York, M.A. in International Relations, Tufts University, M.A. in
Public Administration. Columbia University

CEO

Ms. Dian WANG

Chief Executive Officer of Hywin Holdings Ltd.
Best CEO in Greater China Wealth Management" of the Wealth-BriefingAsia Greater China Awards 2022
MBA, Cheung Kong Graduate School of Business

Independent Director

Ms. Jie CHEN

Founder and Executive Director of Brainzoom Business Consulting Co., Ltd.

Vice President and Finance Director of Cellon International Holdings Corporation

Bachelor of Accounting, Shenzhen University

Independent Director

Mr. Vincent Chun Hung CHAN

Director of Samena Capital Independent Non-Executive Director of CN Logistics International Holdings Limited (HKEX: 2130)

Non-Executive Director of Memories Group Limited (SGX: 1H4)

Director of the Hong Kong Venture Capital and Private Equity Association

#### **Our Major Shareholders**

In terms of the ownership structure, Grand Lead Group Limited (100% held by Mr. Hongwei Han) and Vigor Advance Limited (100% held by Ms. Dian Wang) hold 71.16% and 13.39% of the shares respectively. For the sake of protecting the rights and interests of shareholders and stakeholders, Hywin discloses all major related party transactions in the company's annual report and verifies whether board members hold any positions or serve on the board of any other companies in the industry.

#### **Board Governance**

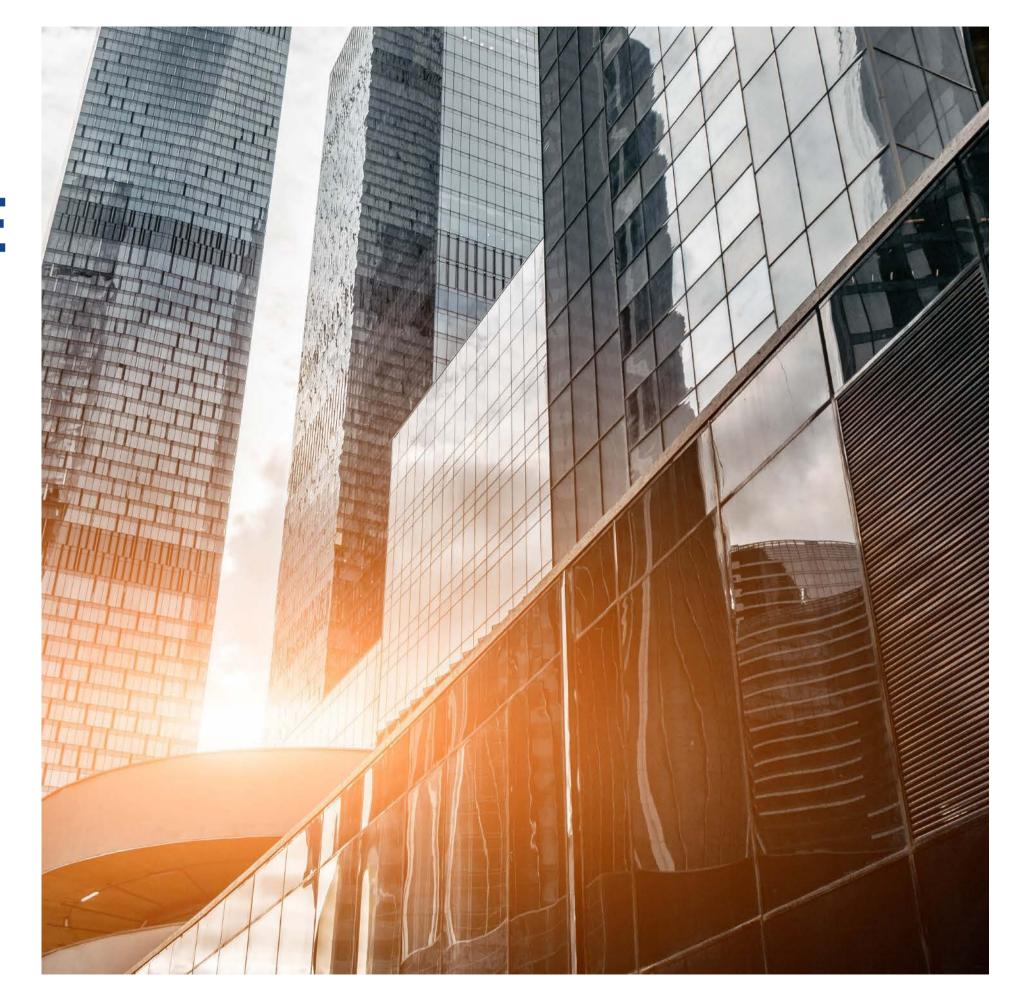
Hywin's annual report discloses all major related party transactions. Every year, we check with the board members whether they are holding any positions in other companies or having duties on another board and establish the conflict of interest avoidance mechanism for board members to protect the rights and interests of shareholders and stakeholders.

#### **Disclosure of Listed Company**

Hywin attaches great importance to communication with stakeholders, whose feedback provides the board of directors and executives with useful references and viewpoints on important issues. To this end, Hywin has established a stakeholder communication mechanism and various communication channels to promote regular communication between business departments, functional departments and stakeholders, and facilitate means for the company to actively respond to the demands and expectations of stakeholders. In fiscal year 2022, we organized and participated in investor, partner, client, government and regulatory, supplier, media and public relations, and employee communications, from which we acquired key references on important issues in the interest of Hywin's ESG development, strengthening relevant information disclosure, and establishing a long-term relationship of trust and mutual support.

Hywin publishes updates on business performance and holds general meetings for shareholders every year in accordance with SEC regulations, receives analysts and investors for surveys, and attends investor exchange meetings. At the same time, we list the company's financial data, major information, and future risk assessment in the annual report and disclose the latest company information on its official website of investor relations on a regular basis.

# COMPLIANCE



#### Integrity and Abidance by the Law

Integrity is the soul of an enterprise's development and abidance by the law is its foundation. Hywin considers the creation of a law-abiding enterprise with integrity to be a priority and strives to ensure all relevant projects are carried out with integrity, in strict accordance with the law, and that these qualities are deeply rooted in the hearts of Hywin's employees.

#### **Anti-Bribery and Anti-Corruption**

Hywin values the honesty and integrity of its employees, making integrity and abidance by the law cornerstones of its corporate culture.

In the interest of standardizing the company's business operations and maintaining the company's good image and reputation, Hywin has established a long-term early warning anti-bribery and anti-corruption mechanism and created a Violations Management System and Employee Handbook that employees must sign to confirm compliance. At the same time, Hywin provides training to all employees online and through other channels, and strictly prohibits the giving, taking, or soliciting of bribes or similar forms of improper behavior.

## Anti-Money Laundering and Anti-Fraud

#### **Anti-Money Laundering**

In accordance with China's anti-corruption campaign, Hywin seeks to comply with the following laws, regulations, and departmental rules: Anti-Money Laundering Law of the People's Republic of China, Regulations on Anti-Money Laundering of Financial Institutions, Administrative Rules for the Reporting of Large Value and Suspicious Transactions by Financial Institutions, and the Measures on the Administration of Client Identity Identification and Materials and Transaction Recording of Financial Institutions among others, and strives to:

- 1. Advocate for anti-money laundering and relevant regulations and educate clients against money laundering;
- 2. Establish anti-money laundering systems and carry out client identification;
- 3. Ensure that client transactional capital is paid from his/her own account:

- 4. Properly preserve client identity information and transaction information;
- 5. Actively cooperate with financial institutions and relevant departments to conduct investigations on suspicious transactions discovered.

Hywin strictly abides by the laws and regulations related to anti-money laundering, anti-terrorism financing and sanctions compliance, constantly improves the internal control system and working mechanism, and continuously strengthens control procedures and measures, data governance, information system construction, internal and external advocacy and training, and other compliance construction.

Hywin strictly abides by all laws and regulations directed against money laundering and the financing of terrorism, complies with relevant sanctions, seeks constantly to improve the internal control system and working mechanisms, and strives continuously to strengthen control procedures and measures, data governance, information system construction, internal and external advocacy and training, and other forms of compliance.

Hywin requires investors to confirm the real identity of a client when opening an account to prevent money laundering activities from the source, effectively protect the safety of the client's funds, and build a line of defense to prevent money laundering and risks. Through client identification, we can understand, monitor, and analyze client transactions, investigate suspicious transactions and the financing of terrorism, and provide relevant departments with comprehensive and effective information to curb money laundering as well as upstream crimes.

In the event a Hywin investor must change a capital account, revise basic identity information, or so forth, Hywin shall undertake to re-identify the investor to ensure the changes have been made by the investor himself/herself or by his/her authorized agent.

In 2021, Hywin updated and published the Anti-Money Laundering and Tax-related Information Due Diligence System, adding new content related to due diligence on tax-related information of non-resident financial accounts to ensure the performance on the part of Hywin of relevant duties in accordance with all laws and regulations.

#### Anti-Fraud

Hywin has created a Management System for Violations and strictly forbids employees from using their positions to take possession of company property, engaging in dishonest activity for personal gain, embezzling public funds, or generally acting fraudulently.

Hywin is aware of the risk of fraud tied to operations, evaluates and analyzes the existing system and management environment, and seeks to identify weak links where fraud may occur. The management of Hywin is continuously striving to improve anti-fraud awareness and create an open and honest atmosphere in daily management. Through anti-fraud lectures and timely training, Hywin strengthens the legal education of its employees, and with cases and data, helps employees to identify the common practices and risks of fraud, the harmfulness thereof, and the severity of its consequences, so that every employee would be fully mindful of fraud and the serious consequences of fraudulent behavior.

In 2021, with the Management System for Violations, Hywin investigated and dealt with behaviors involved in improper expense reimbursement and various violations related to the process of business development, which served for the greater education of the staff. The System continues to be employed in the pursuit of other investigations.

#### Legal and Compliance

Hywin has built an effective compliance management organization and institutional system, established a correct concept of compliance, and cultivated a sound compliance culture, to ensure the compliant business management and practice of the company and staff, avoid compliance-related risks, embrace supervision, and ensure full compliance and legality in all activities.

Hywin conducts risk management through daily educational sessions, compliance training, and the promotion of the system, seeks to inculcate the concept that compliance is for all employees, compliance starts with management, compliance creates value, and compliance is the foundation of

the company's existence, advocates and promotes the construction of a culture of compliance, and cultivates the staff's full awareness of compliance and all its implications.

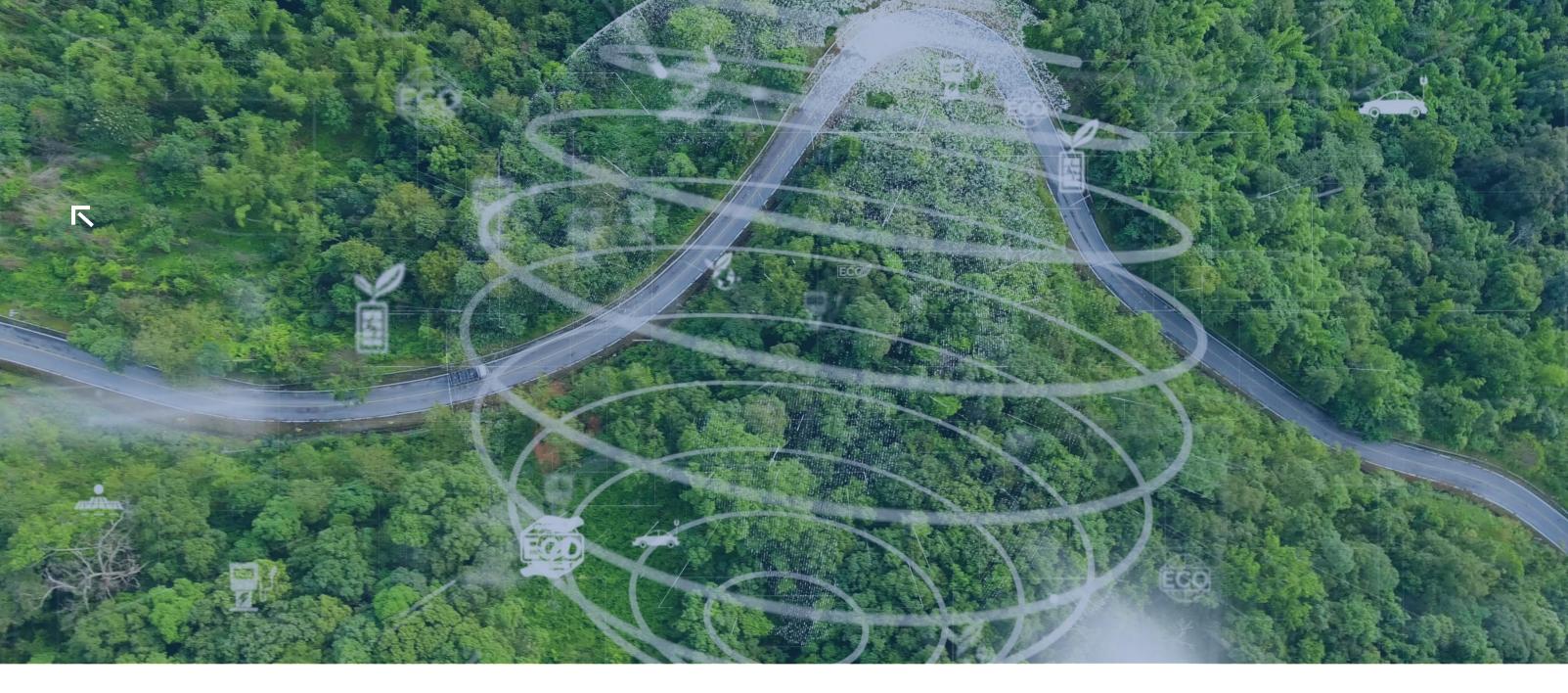
Hywin believes that the first line of defense in managing compliance is operation and management, which consists of various Hywin business units and functional departments; the second line of defense is risk management, based in Hywin's compliance department, which plans and carries out the construction and work of risk management and internal monitoring systems; the third line of defense is an independent audit and anti-corruption investigation, which has its foundation in the audit department and is responsible for providing independent evaluation of the effectiveness of risk management.

Regulatory authorities, industry peers, and clients are all concerned with compliance in financial institutions, as are financial peers and clients choosing financial institutions for cooperation or services. As an industry leading institution, Hywin adheres to the bottom line of operational compliance in the financial industry to reduce business risks, effectively protect the interests of investors, ensure long-term returns for shareholders, and fulfill its industrial social responsibilities. At the same time, in the context of ever-tightening compliance regulation, Hywin strives to effectively reduce the costs associated with compliance through industry best practices, technologies, and other methods, and to maintain the service and experience levels clients expect.

#### **Taxation**

Hywin is fully aware of the importance of complying with relevant tax legislation and regulations in business operations in all countries by making timely, accurate tax declarations in accordance with the tax regulations of various countries. Since Hywin's largest operating base is in China, it is subject primarily to China's tax laws. For changes in current national tax legislation or the implementation of new legislation, Hywin and its subsidiaries have qualified tax experts to assess tax risks and contacts external tax counselors for advice and assistance when necessary while referring to relevant suggestions provided by external auditors.

Hywin has a zero-tolerance policy for tax evasion and does not tolerate transactions with related parties in the name of the company for tax evasion. Hywin's various tax plans align with the principles of corporate sustainable development, corporate responsibility, and risk management to protect the rights and interests of shareholders and create shareholder value.



# SUSTAINABLE DEVELOPMENT PLAN

人

#### Sustainable Development

Sustainable value creation lies at the core of an enterprise's sustainable operation and development and serves to stabilize it. Since its establishment, Hywin has been committed to achieving sustainable development so as to create long-term value for all stakeholders.

#### Joining UN-PRI

The UN-PRI was initiated by former Secretary-General of the United Nations Kofi Annan in 2006 with the aim of helping investors understand the impact of ESG on investment value and to support signatories in their efforts to integrate these considerations into investment strategies, decision-making, and ownership practices. Accession to the UN-PRI means following its six Principles for Responsible Investment, including the incorporation of ESG issues into investment analysis and decision-making processes and appropriate disclosure on issues related to ESG.

In signing the Principles, Hywin has adopted a great strategic vision to pioneer the implementation of ESG investing in the independent wealth management industry in China. Hywin has recognized since its inception that sustainable development is a long-term driver of enterprise growth. At the same time, Hywin is in it for the long run on behalf of clients, shareholders, employees, and public welfare undertakings, actively applying the Principles for Responsible Investment with a strong sense of corporate social responsibility.

Hywin develops businesses and cooperation with institutions according to the green investment philosophy and channels financial forces into facilitating the green industry. In addition to performance indicators, attention is also paid to the fulfillment of social responsibilities on the part of relevant enterprises. The aim is to enhance the virtuous flow of social capital and the high-quality development of the social environment through long-term investment and cooperation. Hywin encourages a green working environment and advocates reducing workplace emissions. Hywin has conducted carbon footprint verification on its own and adopted an environment-friendly working model. Since the identification of carbon emissions and their reduction in the workplace, there has been a decrease in energy and resource consumption. Innovative technologies have been leveraged to improve corporate governance capabilities, realizing the low-carbon management of the entire process and online operations.

#### Sustainable Development Strategy

Sustainable value creation lies at the core of an enterprise's sustainable operation and development and serves to stabilize it. Since its establishment, Hywin has been committed to achieving sustainable development so as to create long-term value for all stakeholders. We have established a set of corporate management strategies that consider both the single assessment indicator of financial performance and systematic improvements in ESG performance given the possible impact of enterprise development on the environment, society and corporate governance.

#### **Communication With Stakeholders**

Hywin holds that the communication with and engagement of stakeholders play a crucial role in the sustainable development of the company. Hywin accommodates the demands of stakeholders and taps into different channels for communication with them. We identify internal and external stakeholders according to company characteristics, industry trends, and company development and seek to establish a communication mechanism for listening to their suggestions and providing an immediate reply.

We provide a direct channel of communication where all stakeholders can make their opinions known. All stakeholders involved in a local business or company development can contact the company directly at ir@hywinwealth.com. Accommodation is made for the concerns and suggestions of each stakeholder, with an immediate reply and proper handling ensured.

#### **Analysis of Substantive Topic**

Selecting substantive issues means being able to distinguish factors important for the sustainable development of enterprises from non-important ones. Moreover, the selection of these important issues serves as the ground for the priority given to the environmental, social and governance factors in the ESG report, which underpins the quality of information disclosure in the whole report. In a complex business environment, Hywin regularly communicates and analyzes substantive issues with various stakeholders to understand their aspirations and concerns, which are addressed without delay. Pursuant to the GRI framework, we have identified ESG issues of significant importance to stakeholders and the sustainable development of the company, while effective communication and solutions to problems are conducted and formulated according to the distinctive demands of different stakeholders.

#### Framework of Analysis of Substantive Topic



#### Internal Assessment

Identify potential ESG issues based on the company's business model and operational characteristics together with industry trends and national policies.

#### External Research

Identify stakeholders under different issues, including but not limited to clients, shareholders, suppliers, governments/regulators, experts, and scholars. We encourage stakeholders to engage in the discussion of issues through interviews or workshops, and according to their feedback, pick the most important of relevant issues.

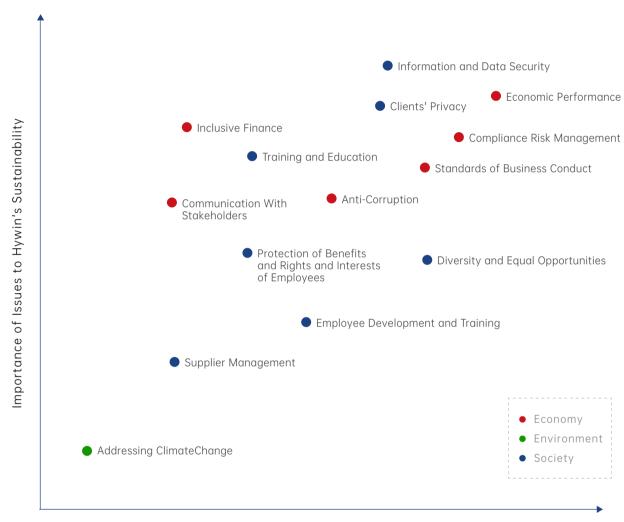
#### Scenario Analysis

Collect information about the role of different stakeholders in respect of importance and influence in each specific company business scenario together with full consideration given to the importance of different business scenarios in the company's annual business.

#### Disclosure of Issues

Rank issues by importance and on this basis and draw up a strategic plan for the company's ESG work.

#### Results of Analysis of Substantive Topic



Importance of Issues to Stakeholders

# TALENT STRATEGY

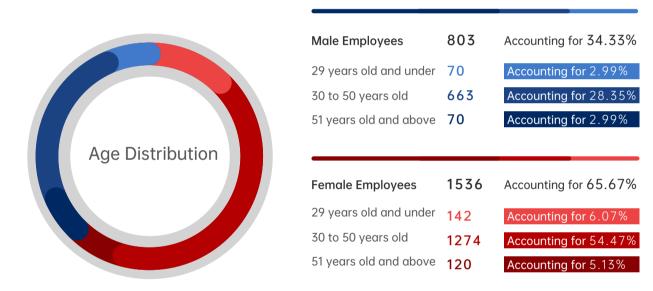


#### **Employee Overview**

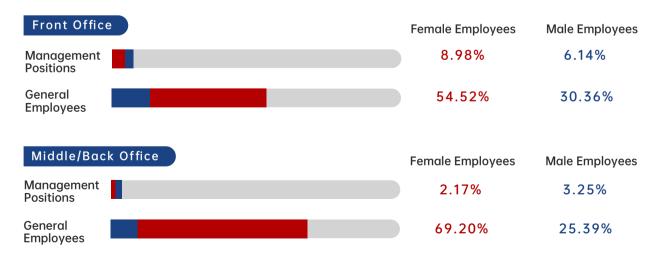
As the environment surrounding the company's development strategy changes, the development model transitions from the "extensive growth of claiming markets by preemptive investments and resource input" to "refined operation and platform management". We create value for clients and enhance their stickiness by improving capabilities in operation and platform.

The agile organization with Hywin characteristics features looking for new drivers for the organization, client centeredness, and product orientation.

#### Analysis of On-the-job Employees (by June 30, 2022)



#### Employee Structure (by June 30, 2022)



#### **Our Incentive**

The Hywin Long-Term Incentive Plan issued approximately 1.6 million ordinary shares in 2021, to nearly 300 employees, approximately 13% of the on-the-job employees as of June 30, 2021, under the listing structure. A total of 5 million ordinary shares are planned for gradually issue in multiple stages.

The rollout of Hywin's Long-Term Incentive Plan aims to reward and incentivize contributions from organizational management and elite employees, further improving the governance structure. This plan will allow us to establish a talent strategy of great competitive strength and cornerstone of value creation besides the company's business model.

Since 2015, we have shared this incentive mechanism for value growth of the company with core management and employees through various ways.

#### **Awards for Our Talent Development**

## Hywin was awarded the "2021 China Human Resources Pioneer Employer Award" by TopHR

Hywin was awarded the "2021 China Human Resources Pioneer Employer Award" at the "2021 China Human Resources Pioneer Awards Ceremony", organized by TopHR on December 2, 2021. The company has harnessed a series of talent strategies driven by the philosophy of "common growth" to unleash the vitality of enterprise talent and spearhead healthy industry development. The pioneering role it has played and its overall strength have been recognized by authoritative institutions.

#### **Learning and Development**

#### Comprehensive Upgrade of the E-learning Platform

Hywin's upgraded E-learning platform went online on April 1, 2022. Based on the strategic goal of talent development and integrated training, combined with the learning needs of all levels of the company, digital iteration and innovation have been married to the original knowledge management system. In this way has knowledge management been integrated with learning and training to create richer and more convenient training experiences and more digital, intelligent training management.

#### "Star Shining" Excellent Core Talent Training Program

In an effort to develop competitiveness in core talent, Hywin has put in place a long-term training plan for excellent managers and elite employees with outstanding contributions. The training plan aims to achieve breakthroughs in overall capabilities from growth to value improvement by ensuring Hywin grows wealthy in human resources. While giving top core talent opportunity to realize their full potential, we improve their personal ability and professionalism, enabling them to create greater value and be of more benefit to clients and society.

#### "Future Second Generation" Middle Team Improvements Training Camp

The "Future Second Generation" Middle Team Improvements Training Camp was officially opened in early 2022 to further improve Hywin's talent team system and build a middle team that is more professional and competitive. The vitality and motivation of organizations and individuals are further incentivized over 8 months of diversified and innovative training that includes professional empowerment, practical experience, debate competitions, and the development of thinking skills.

#### "Innovation", "Talent", and "Creation" Management Trainee Training Program

Hywin remains committed to mutually beneficial cooperation and joint development with top-tier talent. Hywin shares the dividends of the company's development with them and also gives full play to role models and the appeal of excellent employees. Talent is given the opportunity to voice opinions and encouraged to learn from and keep up with role models. Thanks to the "Innovation" Summer Intern Program, the "Talent" Campus Recruitment Program, and the "Creation" Management Trainee Program, we have formed a closed-loop training and development mechanism for fresh graduates in their selection, cultivation, and retention. University graduates with an international vision are attracted to join Hywin, making our organization and teams more excellent and competitive.

#### **Asset Allocation Consultant-Targeted Training Program**

The Hywin Family Wealth Management Office, together with internal and external resources, launched the "Asset Allocation Consultant-Targeted Training Program" in September 2022 to respond to the company's strategy, improve the client service experience, and cultivate and retain asset allocation consultants. The training program empowers the overall development of core talents in the long run by company business practices, peer exchanges, advanced improvements, and personal influence enhancement, improving the professionalism of asset allocation consultants.

#### **Hywin Reading Sessions**

Hywin regularly organizes reading activities to further advance the development of corporate culture and build a learning-oriented organization. We foster a culture of learning where employees read the monthly book recommendations of senior executives and exchange notes on the readings among themselves. Through reading, we pass on cultural values, share management ideas, and exchange feelings and experiences.

#### **Gold Lecturer Team**

Hywin is committed to a learning-oriented organizational culture. As a part of this, Hywin has cultivated a team of professional lecturers with recognizable values and the ability to inspire a sense of belonging and pride among employees. Engaging courses hosted by these lecturers empower front-line employees. There are currently more than 50 gold lecturers from financial planners and the middle and back office. More than 2,800 minutes of professional tutoring have already empowered employees professionally and encouraged them to share their common inheritance by working together to create.

**Data About Training** 

68 hours

Training hours per capita

+hours 130,000 Online employee training hours

1529
Online training courses

140 +hours
Offline employee training hours

100 +
Offline training courses

#### Agile organization and competitive compensation scheme

Hywin is a pioneer in bringing in international intelligent resources by inviting world-class consulting firms such as McKinsey, BCG and Roland Berger to review and support the company's development. Hywin therefore could take advantage of the international leading mature experiences at its early stage. By adhering to the "Value Creation" concept and its core qualities in client proposition, product proposition and talent proposition, Hywin comprehensively upgrades its organization, management, talents, technologies, professionalism and brands to ensure a solid development for the company's businesses and continuously provides wealth inheritance and high-quality growth services.

In 2021, Hywin invited Willis Towers Watson, the global leading talents consulting firm, to work out an upgrade and iteration of the company's organization, titles, compensation scheme and long-term share-based compensation scheme, and also pioneered by launching an "agile organization" reform for a constant upgrading and iteration of the company.

Our agile organization could be divided into two stages::

At the early stage

Hywin established the agile organization based on its talents, strategically disassembled and iterated key projects of the company, and dug out and selected talents through projects operations. Hywin also implemented an integrated operation by breaking through functional departments to build six systems to improve operating efficiency while mutual resources sectors linked together to conduct daily operations between departments.



Hywin focused on value creation, agility and high-efficiency, and has been upgraded into three ecosystems including client brands, research and advisory product offerings and front-line empowerment based on the maturity of the operations of the six systems. Hywin effectively reduced its operation costs and greatly released its vitality and productivities while providing more gualified services to its clients.

Hywin has formulated two career development paths for its employees and regularly reviews its compensation schemes for employees in order to offer a clear career development path and competitive compensation; Hywin also provided long-term share-based compensation for its employees to share the growth and development of the company.

#### **Staff Association**

Since its establishment in 2017, the Hywin Staff Association has implemented various tasks in strict accordance with the requirements of the superior Staff Association of Lujiazui. As an important participant in Hywin's ESG practice, the Hywin Staff Association contributes to the company's sustainable development by fulfilling corporate social responsibility and advancing employee development along with other various aspects.

#### **Awards**

- In 2022, the Hywin Loving Mom's Room was honored as a "Four-Star Loving Mom's Room" by the Shanghai Federation of Trade Unions:
- Hywin won crowned women's singles and women's doubles champion in the 5th Lujiazui Software Park "Golden Collar" Harbor Table Tennis Competition;
- Hywin was crowned champion at the 2019 Lujiazui Financial City First Chess and Card League Summer Tournament;
- Hywin placed among the Top Ten Teams in the 2019 Lujiazui Fluorescent Jogging Activity.

#### **Employee Caring**

**Staff** Association member service card applications

All union members in Shanghai can apply for the service card for union members. A total of 189 Hywin employees hold union cards that bring them value-added services such as subway fare discounts within the city and cashback on train and air tickets during the Spring Festival travel rush.

Employee caring during festivals, holidays, and special periods

The Hywin Trade Union provides holiday benefits to all employees during major festivals such as the Spring Festival, the Dragon Boat Festival, and the Mid-Autumn Festival. The Trade Union also shows care for employees during special periods, such as the hospitalization of a regular employee.

Total investment in 2022: RMB 1,477,124

#### **Employee Activities**

The Hywin Trade Union successfully held more than ten activities in 2022. The Trade Union has worked to foster healthy careers in a variety of different ways and honored corporate social responsibilities through activities such as bringing the young and old together to make festive lanterns, caring for autistic children, and organizing philanthropic and health physiotherapy events.

Total investment in 2022: RMB 38,500

#### **Employee Clubs**

The Hywin Trade Union has established various types of sports clubs, including yoga clubs, table tennis clubs, and badminton clubs to further strengthen the development of corporate culture and create a good and harmonious cultural atmosphere.

#### Highlights of Participation in Superior Staff Association Activities



Women's Singles and Women's Doubles Champion in the 5th Lujiazui Software Park "Golden Collar" Harbor Table Tennis Competition



Champion of the 2019 Lujiazui Financial City First Chess and Card League Summer Tournament



Top Ten Team in the 2019 Lujiazui Fluorescent Jogging Activity

#### Highlights of Exciting Hywin Trade Union Activities



DIY Activity to Celebrate the Mid-Autumn Festival



Hywin Running Go



Yoga Club Activity



Singing Activity to Celebrate the Mid-Autumn Festival, the National Day, and the Anniversary of Hywin



Tea Snack Making Activity



Intangible Cultural Heritage Chinese Knot Weaving Skill Experience Activity

#### **Community Services**

- Fifty-four service teams composed of Communist Party of China (CPC) member volunteers have been established across the nation, visiting combat heroes and veterans, keeping empty-nesters in the city company, and supporting underprivileged students by showing them affection. We have participated in and held over 100 such philanthropic activities.
- Hywin CPC members actively participated in flood control and disaster relief support, as well as post-disaster reconstruction in Henan and Shanxi, raising a total of RMB 455,503.
- During the COVID-19 pandemic, Hywin Party branches were quick to respond. The Party member volunteer service team spearheaded voluntary service efforts and kept contact with the local superior Party organizations. They served as "Big White (Dabai)", a nickname in Chinese for medical workers, or donated money and materials to pandemic prevention workers in various places. More than 120 Party members participated in the voluntary service.
- To celebrate the centenary of the CPC, Hywin Party branches organized a series of themed activities. These concrete actions were aimed at carrying forward the revolutionary spirit and drawing strength from achievements for greater progress to celebrate the 100th anniversary of the founding of the CPC.
  - (1) Hywin Party Branches Carry Out Party History Learning and Education;
  - (2) July 1 Commendation for Advanced Party Members and Party Member Volunteer Teams;
  - (3) Watch Classic Revolutionary Films to Carry On the Red Tradition;
- All Hywin Party members have earnestly studied and implemented the spirit of the 20th CPC National Congress and work together to strive for a modern socialist country in all aspects and the great rejuvenation of the Chinese nation on all fronts.



# **CLIENT SERVICES**

#### **Client Centricity**

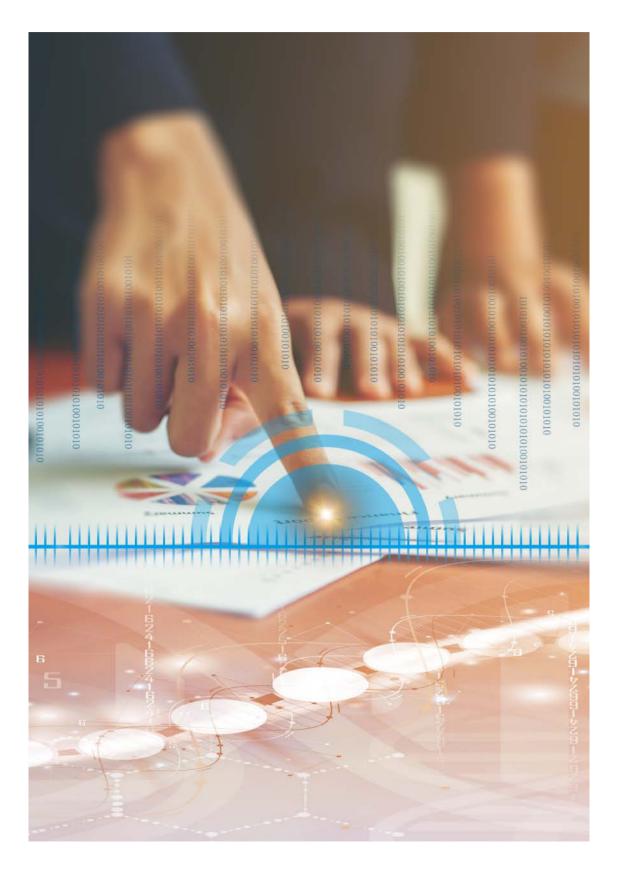
As an industry-leading wealth management institution, Hywin provides clients with full life cycle wealth management services as well as customized high-quality services by actively integrating high-quality resources through various channels. Hywin joins hands with clients to benefit society and create a better future.

#### Points Mall·Rural Revitalization: Donation Through Purchase to Inject New Impetus Into the Development of Agriculture, Rural Areas, and Farmers

China has secured a comprehensive victory in the fight against poverty, the work of rural revitalization has been carried out across the nation, and characteristic construction projects in rural areas have been implemented one after another. As a leader in the wealth management industry, Hywin Wealth has explored a unique path to rural revitalization. In 2021, a channel dedicated to characteristic agricultural products was opened in the Points Mall. The platform helps focus the forces of social public welfare, connect with intelligent and innovative enterprises in three rural issues, and provide targeted assistance and support to farmers. Simultaneously, barriers keeping merchants from onboarding are mitigated by reducing the platform deposit and improving the efficiency of internal auditing.

A "Promote Rural Revitalization and Build a Beautiful New China" channel was launched in the second half of 2022. Hywin encourages clients to redeem points for products that contribute to three rural issues through the innovative consumption model of donation through purchase. In this way, it makes characteristic agricultural products in the assisted region market-oriented and brand-based, effectively empowers the assisted region to generate income, and contributes to the implementation of the rural revitalization strategy.

2022 is the year to consolidate and expand the achievements of poverty alleviation to more effectively align with rural revitalization. Hywin's believes the keynote of "rural revitalization" to be "industrial revitalization". Practical, effective, and favorable measures are needed in industrial guidance, technical assistance, personnel training, entity nurturing, marketing assistance, brand building, and model promotion to support the development of characteristic industries and rural revitalization in "three regions and three prefectures", as pointed out by the Ministry of Agriculture and Rural Affairs of the People's Republic of China once in the meeting to connect the industry with the needs of poverty alleviation in "three regions and three prefectures.



The Hywin Points Mall Rural Revitalization channel holds a variety of activities that include the "Three Regions and Three Prefectures" Flash Sale, Charity Products, and a Local Pavilion to encourage clients to redeem points for products and increase the sales of local agricultural products in the region receiving assistance. It has likewise developed characteristic resources in accordance with local conditions, supported and guided the establishment of a complete industrial closed loop integrating production, processing, and sales, and made local "three regions and three prefectures" agricultural products popular, injecting strong momentum into the revitalization of regional industries. More than 60 "three regions and three prefectures" products have made it onto shelves, with an average monthly redemption of close to 1 million points.

# Leading the Way to Build a Long-Term Development Points System: Systematically Promoting the Development and Implementation of ESG

Hywin is an influential player in the capital market focused on creating wealth and on the significance of creating wealth! Hywin has built an exclusive "E-points system" for the ESG project, gradually deepening the promotion of ESG strategy by connecting Hywin, partners, and employees and meeting the expectations and requirements of key stakeholders, leading employees and partners to embrace ESG.

E-points are given to clients who allocate green energy and carbon neutrality products, as well as ESG funds launched later on. In addition, we also award E-points to enterprises that have obtained national green & low-carbon & environmental protection certificates and/or produced environmental protection & scientific and technological innovation products. Moreover, E-points are also awarded to clients who participate in our philanthropic projects, such as those for children's growth and care for women. After our new Mini Program has been released, clients will also be able to redeem their daily walking steps for E-points.

Scenarios governing the consumption of points vary and include brand product redemption, fuel cards, and products on mainstream e-commerce platforms such as JD.com, Suning.com, and Taobao, as well as various points games.

The launch of the E-points system encourages clients to give back to society under the leadership of Hywin with a renewed sense of responsibility while earning E-points effortlessly and enjoying excellent value-added services.



## Building a Client KYC Analysis System to Provide Refined Client Services

Hywin is constantly refining its Client KYC Analysis system. When clients register to join, points are used to encourage clients to provide more complete information, such as the 10 KYC labels that include industry background, education, and investment preferences. The final refined client service is then provided on the basis of the labeling of important features and a big data analysis of client information.

Since the launch of the Client KYC Analysis system in 2021, 29.67% of clients have reached 100% KYC integrity (as of early October 2022) with more than 800 KYC clients above diamond level, and as for clients involved in KYC-based historical transactions, 37.34% have reached 100% KYC integrity.

#### **WeCom: Emotional Value Connection**

Hywin strives to understand client service needs and deploys WeCom to reach them. WeCom is positioned as a portable service steward. Clients open WeChat and find XIAOHAI to consult and enjoy services. Equipped with a professional SCRM system, the WeCom team outputs professional service content, operates hierarchically for different client groups, and holds unplanned channel-specific courtesy activities to give back to clients.

#### Segmented Proposition: Quality Services and Wonderful Privileges System

Hywin HYW VVIP system was officially launched on October 20. Existing Hywin members can upgrade to HYW VVIP with one click to enjoy greater privileges. In addition to existing wealth privileges, HYW VVIP provides a variety of health (high-end system, nutritional monthly meal, and private doctor) and business privileges (airport VIP room, Japanese-style housekeeping service, and special scenic spot ticket).

The HYW VVIP system encompasses approximately 100,000 members, with 8 levels of clients and 49 types of privileges.

## Client Services Ecosystem: Headquarters operation, Sub-operation, Financial Planner Support at Every Step, Comprehensive Improvement of Client Service Quality

**Headquarters:** Sort out and implement training mechanisms, create periodic training and publicity, respond immediately to problems fed back by sub-operations, and create a unified reply or training to the problems fed back by multiple people;

**Front-line Sub-operation & Financial Planners:** Collect front-line feedback or opinions, feed them back to head-quarters without delay, and actively participate in training at headquarters to enhance familiarity with headquarter activities and company business;

**Hywin Mobile & X-LINK:** Provide professional development tools for financial planners: the Hywin Mobile app and X-LINK function help financial planners manage clients more efficiently, follow up on client transaction dynamics in a timely manner, and find out about major company business events when you need to;

**Elite Club:** The purpose of the Elite Club is to recognize and praise the competence and perseverance of excellent financial planners and inspire morale. On a mission for More and Better Elites, the Elite Club holds a variety of training courses and offline exchange activities every year to improve the professional ability and interpersonal relationships of financial planners. At the same time, Elite Club members also assume the responsibility of guiding recruits by sharing excellent business experiences in the training for recruits in each branch.

#### Tailored Events: Create Exclusive Circles for Clients

In an effort to target four major client groups - entrepreneurs, rich second generation, women, and business executives - Hywin holds periodic targeted quality offline activities, such as the Her Power reading session, The Power of X camp for the "rich second generation", high-quality enterprise visits, and much more. In 2021, a total of 6 activities were held in Shanghai, Chengdu, and other cities. Guests included famous fashion designers Pei Guo and GRACE CHEN, Ms. Bingqiao Mei, president of Jin Ze Arts Center, and more. A visit to the manufacturing base of Leapmotor Co., Ltd. in Jinhua was also held.

# INVESTOR EDUCATION



#### **Hywin Investor Education**

Empower clients, create value, provide quality services, and grow together. Since the launch of investor education, Hywin has been committed to the "investor-centered" investment education concept. Through diversified forms of general offline courses and specialized online courses, Hywin has helped clients learn about the financial market in an comprehensive way, understand the logic behind investment, clarify investment objectives and needs, and allocate assets by matching multiple strategies with different investment needs in light of the market environment and asset characteristics.

#### **Onsite Courses**

General Offline Courses are committed to helping clients establish the right investment philosophy and understanding diversified asset classes and investment logic to foster a professional image of Hywin.



The course system covers the open market panorama, equity investment trends and strategies, asset allocation, derivatives, bond investment, and private market strategies among others. The courses include 4 sessions of Equity Investment Lectures, 1 Advanced Course of Open Market session, and 1 Family Wealth Management Seminar session.



From May 2021 to October 2022, Hywin held 5 offline investor education courses all across the country, with a total participation time of nearly 100 hours.



Approximately 300 financial planners and 400 clients, including approximately 50 high-net-worth clients above diamond level attended the courses nationwide, with overall course satisfaction reaching approximately 98%.

#### **Digital Courses**

In March 2022, the investor education Class on Wealth: 24 Solar Terms series was officially released to help investors master different investment methods in different periods and tracks and build their own wealth planning logic. At the same time, a learning social circle was created with Hywin characteristics. The courses covered four major modules, including Six Lessons to Master the Panorama of Private Equity, Six Lessons to Know Public Offering Funds Well, Six Lessons on PE Industry Analysis, and Six Lessons on Asset Preservation for High-Net-Worth Individuals.



As of October 2022, the total number of live classes was 21, with a total of 25 guests participating;



Approximately 16,000 clients had been reached;



The total number of views on the platform (including external platforms) was one million.



# DIGITAL INFRASTRUCTURE

#### Information Security

Hywin has established professional information security and emergency response teams to upgrade cybersecurity from "optional cooperation" to "indispensable basic guarantee" mode. Hywin strengthened the top-level design guided by systematic, practical, and normalized concepts, built cybersecurity infrastructure, and optimized and strengthened the security system on the basis of the results of data analysis, thus providing a "safe bedplate" for digitalization and strengthening the foundation of cybersecurity.

From 2019 to 2021, the inception of the 14th Five-Year Plan, the second version of Information Security Technology - Baseline for Classified Protection of Cybersecurity and the Regulation on Protecting the Security of Critical Information Infrastructure was successively issued, followed by the Data Security Law of the People's Republic of China and the Personal Information Protection Law of the People's Republic of China. Hywin made the construction of cybersecurity and the protection of clients' personal information top priorities. From 2021 to 2022, Hywin invested extensively in manpower, material resources, and financial resources in cybersecurity planning and development, including developing security governance architecture, ensuring security compliance, developing the information security management system, security operation, security attack and defense, security situation awareness, and more.

- APT security monitoring, audit logging, and data leakage prevention systems were added.
- Web application firewall, network intrusion prevention, and Internet access management systems were added.
- The core system was certified as three-level cybersecurity classified.
- Bastion host + Admin Privileges systems were added.
- Four penetration tests and vulnerability scans were performed on the core system.
- The password application security of the system was upgraded.
- Switches, routers, and other network equipment were updated to new generations.
- The terminal security management system was deployed with nearly 600 terminals.
- IT personnel passed the security training exam with 1,900 hours of training.
- The dynamic zero-trust defense system was deployed with nearly 3,000 terminals.

#### **Security Architecture**

#### **Enterprise Information Security Construction**

Information security is a game, a confrontation, and a war. The warring parties are fighting for the control of information assets, and those who come out with the assets win the game.

In the construction of information security, Hywin has focused on both security management and security technology.

The continuous improvement of Hywin's security service guarantees the long-term, stable operation of the business and provides Hywin users and clients with a better experience.

#### **Security Team Building**

Hywin has established a professional information security team and information security management system. The CEO of Shanghai Hywin Network Technology serves as the general director of the security team. The team is responsible for not only managing security, developing information technology governance architecture, ensuring information technology compliance, and developing the information security management system, but also directs technical work in security operations, attack and defense, and situation awareness.

#### **Security Training**

Hywin attaches great importance to the information security awareness of its employees. Information security awareness has a direct impact on the success or failure of information security and is crucial to the security of a client's information and funds. Hywin strives to improve the information security awareness of its employees through training and puts every improvement, capable of significantly amplifying information security, to work for it.

Hywin has established an information security training system that weighs pertinence, the practicality of training content and training forms, how engaging content is, and reasons behind low participation in traditional training to establish a post-training assessment mechanism. Information security is truly integrated into the daily life of employees through games and other means in annual information security week activities.

Hywin's unique "treasure chest" of information security training spans three categories of content: professional knowledge, practical skills, and security awareness. The content includes the legal requirements of information security management, regulatory requirements and industry standards, the prevention of data leakage, mail, password, and file security, client information and password leakage, Trojan viruses, and telecom fraud among others

#### **Security Management in Outsourcing**

Hywin has established a strict outsourcing management system that assesses the risk of outsourcing projects and incorporates an access permission and review mechanism, due diligence, provider in-warehouse management, procurement and business negotiations, risk control for dependence, and a concentration rate of outsourcing service providers among others.

#### **Security Authentication**

Hywin has obtained ISO27001 certification, and its major information system has been certified as a three-level classified system for 3 consecutive years. In 2021, all the employees of the subsidiary, Shanghai Hywin Network Technology, passed the computer network technology and network security examination. Members of the information security team hold various information security certifications, such as CISP, CISSP, CISA, etc.

#### **Best Practice**

#### **Internet Application Security**

Hywin has deployed a WEB application firewall, intrusion detection/prevention system, anti-DDOS device, etc.

#### **Mobile Application Security**

Hywin attaches great importance to app development and service security. Hywin has adopted more secure app reinforcement solutions, improved monitoring of app distribution channels to watch out for the release of pirated and tampered apps immediately, and added a validation function for application integrity. After detecting tampering, it promptly alerts users to uninstall the illegal application or run an automatic update and fix.

#### **Enterprise Intranet Security**

For classified protection, Hywin has separated the Intranet into different zones, isolated by firewalls, with an office network, production network, test network, and Internet.

All terminals on the Intranet are centrally managed by terminal security products from well-known domestic security service providers involving asset management, patch management, end-user admission domination, antivirus, peripheral control, security watermarking, online behavior management, file encryption, and Data Leakage Prevention (DLP).

#### **Data Security**

Hywin has drafted and implemented all work processes and technical support in accordance with the Data Security Law of the People's Republic of China and the Personal Information Protection Law of the People's Republic of China issued in 2021 to cover organizational structure and the division of responsibilities, hierarchical data classification management, data life cycle security requirements, data security risk event management, the assessment and supervision of data security management, data security management training, personal information data protection and the prevention of leakage among others.

#### **Service Security**

Hywin is committed to the security and continuity of the service. Improvements have been made in terms of account security, spider and anti-spider, phishing and countermeasures, big data-based risk management, etc. In response to 2021 State Cryptography Administration calls, we have updated domestic commercial system cryptography and secured client accounts and transactions.

#### **Security Inspection**

Hywin has conducted security inspection projects of its own alongside those commissioned from external sources for many years now. With the assistance of a well-known security service provider, at least 2 penetration tests, 4 vulnerability scans, 1 cyberspace mapping event, and 1 network attack and defense drill among others are conducted every year.

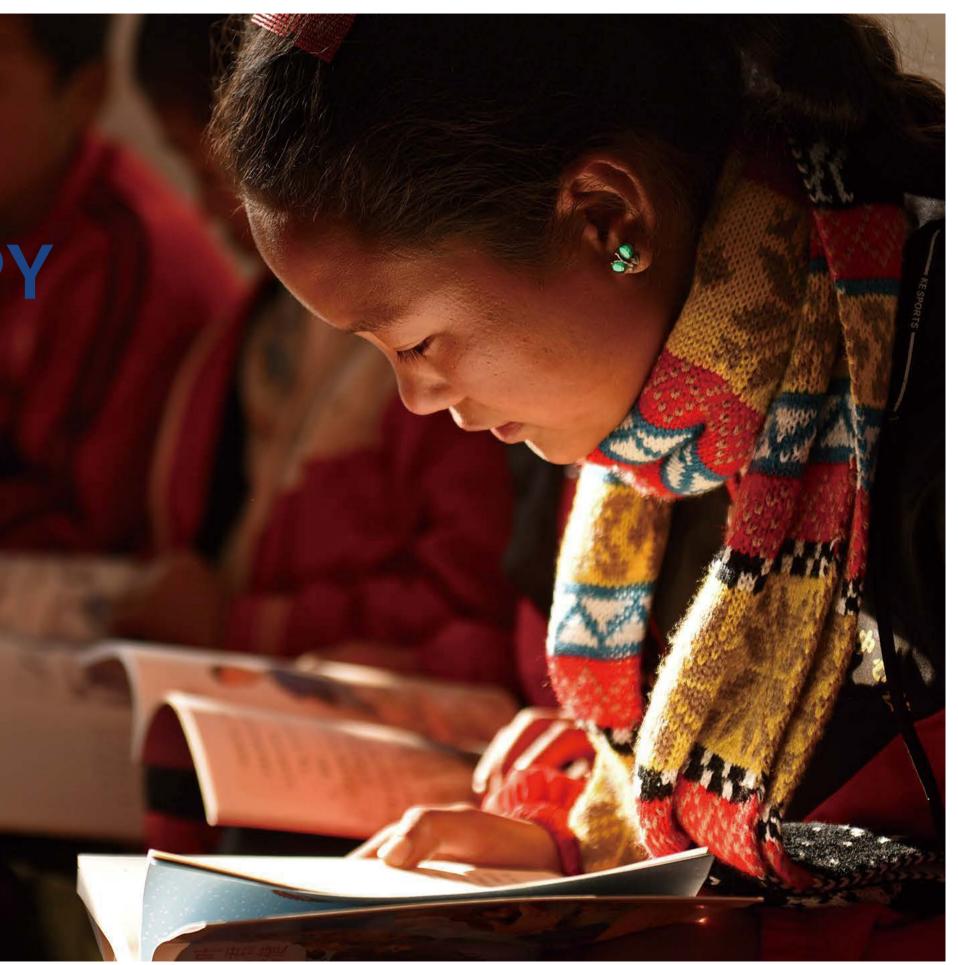
#### **Security Operation Center**

To cope with various kinds of security risks and in pursuit of defense in depth, Hywin has deployed a series of security protection equipment and testing measures that include firewalls, intrusion detection and protection, vulnerability scanning, antivirus, and terminal management systems to build a point-shaped defense system. At the same time, the SOC system was set up to analyze the daily security-related monitoring alarm information with subsequent security event review so as to continuously improve the effectiveness of security, ensure stable business operation, and provide the best possible security experience to clients.

#### **Emergency Response**

Hywin has developed a complete emergency response process in accordance with national standards: Information Security Technology - Specifications of Emergency Response Plan for Information Security, Information Technology - Security Techniques - Information Security Incident Management Guide, and Information Security Technology - Guidelines for Category and Classification of Cybersecurity Incident. The process includes corresponding response plans in the six stages of the PDCERF method based on the classification of security incidents, directed and supervised by the leader of the emergency response team (the CEO of Shanghai Hywin Network Technology).

HYW PHILANTHROPY



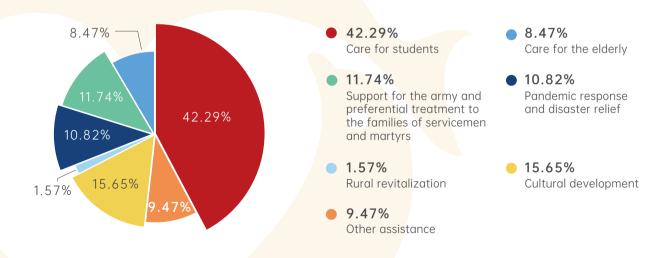
#### **Great Love Represents Responsibility**

Since its establishment, Hywin has always focused on the word "responsibility" in development, paving the way for public welfare with benevolence, and filling wealth with warmth. Over the years, while running the Hywin Foundation, Hywin has continued its work for the benefit of public welfare and philanthropy and actively practiced corporate social responsibility. Through continuous efforts, Hywin has realized its own path for public welfare.

#### **Hywin Foundation**

The Shanghai Hywin Philanthropic Foundation is a private charity organization under the auspices of the Hywin Group and the supervision and management of the Shanghai Civil Affairs Bureau, with an initial fund of RMB 5 million. Enjoying strong support from all sectors of society, the Hywin Foundation is committed to the mission of "sharing the respect for the elderly in our family with other families; sharing the love for the young in our family with other families", and has carried out public welfare activities to support education, the elderly, and agriculture, farmers, and rural areas to fulfill our social responsibility before all. In pursuit of its philanthropic ends, the Hywin Foundation has recruited more than 600 volunteers from all across the country and set up 63 CPC member volunteer service teams, promoting the concept of public welfare in nearly 40 cities and more than 100 communities. Our social care and public welfare activities have empowered vulnerable groups in different regions to develop and live satisfying lives filled with love.

#### **Expenditure Breakdown**



Charitable expenditure data source: 2017-2021 Annual Report of the Shanghai Hywin Philanthropic Foundation

#### Love for Children

The Hywin Foundation has seen children as its major focus for many years. We have cared for children's growth, passed along heartfelt warmth, and been active in creating a happy, harmonious, and healthy growth environment for children in a variety of ways!

#### **Care for Students**

The Hywin Foundation launched the "Love on the Road" program to help students with education in the Daliang Mountains, Sichuan Province, benefiting 12,000 students in total with sustainable growth. The Hywin Foundation funded 63 students from poor families who love studying in Butuo Temuli Central School and created a Hywin-funded class, which achieved great graduation results: top three in the county in 2021.



#### **Charitable Library**

As of now, the Hywin Foundation has established 27 charitable libraries in schools in 10 locations in Sichuan Province, Guizhou Province, and Yunnan Province, and has collected tens of thousands of high-quality books for more than 20,000 children, providing essential reading for children so they can enjoy a happy after-school reading time.



#### "One-to-One" Educational Funding Project

The Hywin Foundation has provided one-to-one assistance to impoverished children in Sichuan Province, Henan Province, and other regions to foster dreams and paths to study. A total of 321 children have received financial support.



#### **Public Welfare Summer Camp**

The Hywin Foundation has held six summer camps, volunteer service plans, and volunteer teaching plans in Guizhou Province and Sichuan Province to help rural children from the mountains and provide urban children with an opportunity to experience the countryside. Hundreds of children have dared to dream, broaden horizons, and look to the future thanks to these activities.



#### **Dolphin Princess Kit for Girls' Growth**

While offering health supplies to girls in mountainous areas, the Hywin Foundation invited professional medical institutions and psychological experts to create a series of health courses aimed at improving the self-health protection of girls and safeguarding the healthy growth of our "little dolphins". The program reached 14 rural primary schools, serving more than 500 rural girls.



#### The Little Dolphin Angel Chorus

The Hywin Foundation selected 120 children from mountainous areas in Guizhou, Yunnan, and Sichuan provinces and established 4 Dolphin Princess Choruses to support rural aesthetic education and bring the angelic voices of children to a wider audience.



#### Caring for the Elderly to Show Our Warmth

The Hywin Foundation has offered abundant support to the elderly. To ensure the daily needs of senior citizens are met, we have been involved in visiting the elderly, organizing traditional Chinese medicine and health salons, and holding a variety of activities to care for our most vulnerable citizens and improve their well-being and sense of security.

#### Famous Doctors Teaching Health Preservation

More than 90 activities have been successfully held in 20 regions with outstanding doctors from traditional Chinese medicine hospitals in major cities invited to give lecturers and go into communities to teach the elderly to cultivate healthy habits and a positive lifestyle.



#### **Enjoying the Golden Years**

Volunteers from the Hywin Foundation created service teams by city to bring warmth through a variety of different activities. Since its establishment, the Hywin Foundation has carried out "Enjoying the Golden Years" projects in 29 cities and 128 communities across the country.



#### Hywin Charitable Kit for the Elderly

With the actual needs of the elderly in mind, the Hywin Foundation created charitable kits containing supplies tailored specially to helping deal with the heat of summer and cold of winter, sent by Hywin Foundation volunteer teams and delivered with warmth and care.



#### Female Influence

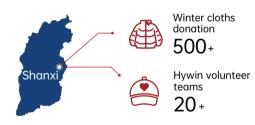
Hywin is committed to being people-centered, respecting diversity, and actively helping talented women gain a sense of accomplishment and happiness in their lives. To better facilitate women's development, Hywin Wealth has continued to focus on "Her Power" and the growth and development of elite women through a series of projects that include Her Power reading sessions, exclusive benefits for female clients, and customized activities.

#### Pandemic Response and Disaster Relief

During the pandemic, the Hywin Foundation motivated volunteer teams across the country to fight against the pandemic with great love. To combat the COVID-19 pandemic, the Hywin Foundation launched a charitable fundraising appeal, purchased essential medical supplies, distributed supplies to community residents, and assisted medical workers with nucleic acid testing and the distribution of rapid antigen test kits, contributing to the overall victory in the fight against COVID-19 and demonstrating the upright heart, active mind, and positive energy of Hywin's employees.



Amid the disaster in Henan Province, the Hywin Foundation promptly purchased relief supplies, donated 390,000 yuan, rushed to assist in Xinzhuang Village, and kickstarted post-disaster reconstruction work in Henan province with a scientific reconstruction plan formulated to help people in stricken areas rebuild their homes.



Amid the disaster in Shanxi Province, the Hywin Foundation activated the volunteer service emergency response mechanism, actively donated, contacted volunteer teams in Huozhou City, Shanxi Province, and other relevant organizations, and vigorously motivated more than 20 Hywin volunteer teams to collect more than 500 pieces of winter clothing to help those affected get through the winter.

#### **Rural Revitalization**

Since 2020, the Hywin Foundation has pooled resources to help farmers, launching an e-commerce platform to actively promote the online and offline sales of products for poverty alleviation. Ninety percent of the sale price of the commodities on the platform is revenue from sales. The remaining 10% goes to the charitable fund and then to the educational funding of projects in Zunyi by the Hywin Foundation. It has added more than 3 million yuan of consumption to assist agriculture and benefitted Zunyi industrially and economically. The Hywin Foundation has also been actively involved in the industrial development of the Yan'an old revolutionary base area, conveying happiness and promoting rural revitalization by selling Yan'an apples.

#### **Facilitating Cultural Development**

For the sake of creating an art ecosystem in the Fengxian District, the Shanghai Hywin Philanthropic Foundation, together with several warm-hearted enterprises in the Fengxian District, donated 100 million yuan to the Shanghai Nine Trees Art Foundation to promote the vigorous development of culture in South Shanghai.

#### Sustainable Development

The Hywin Foundation has actively promoted the collection of second-hand books, clothes, and toys. It has brought together clients and volunteer teams from across the country for environmental protection activities while also promoting the concept of National Fitness and contributing to sustainable development by "Donating Steps with Hywin Power".

#### **Making Difference**

The Hywin Foundation has graciously championed a more equitable, amicable, and sustainable society, creating a new philanthropic brand image through profound cooperation with influential organizations such as the Shanghai NPI Foundation, Guizhou Zhongyi, the Ayitudou Program, the Qichuang Public Service Organization in Wenchuan, the Rende Foundation, the Henan Heqin Public Service, the Guizhou Province Water Drop Charity Home, the Guizhou Charity Federation, the Guizhou Zunyi Zhixing Foundation, the Kunming Red Cross Society, the Tianjin Women and Children's Development Foundation, the Shanghai Foundation For Supporting the Military and Families, the Tencent Foundation, and the China Global Philanthropy Institute.

In the five years since its establishment, the Shanghai Hywin Philanthropic Foundation has set up 27 charitable libraries, collected more than 40,000 books, and founded 4 Dolphin Princess Choruses to serve nearly 20,000 children in educational funding projects. More than 200 activities were held in 30 regions in support of the elderly, benefiting nearly ten thousand. By 2022, Hywin and related entities have successively donated more than 30 million yuan to all sectors of society.

The Hywin Foundation is committed to expanding the breadth, height, and depth of public welfare, steering public welfare ever onwards, and making public welfare routine! We sincerely welcome people from all walks of life with shared values to join us and work with Hywin to fill China with love and charity!



















#### **Honors & Awards**

Over the years, Hywin's charitable pursuits and persistent kindness and love for all walks of life have not gone unnoticed. Society has benefitted, and many awards and honors for outstanding public welfare projects have been forthcoming.

#### 2017

• 2017 Responsibility Brand Award of the 7th China Charity Festival

#### 2018

 2018 Responsibility Brand Award of the 8th China Charity Festival

#### 201

- 2019 Most Influential Brand in Social Responsibility at the Social Responsibility Conference
- 2019 Pudong New District Community Love Milk Project for the Elderly and Love Enterprise Awarded by the Party Committee of Pudong New District and Shanghai Charity Foundation

#### 2020

- 2020 Annual Poverty Alleviation Model Award at the Social Responsibility Conference
- 2020 Annual Outstanding Charity Project Award at the Social Responsibility Conference

#### 2021

- 2021 Social Responsibility Brand Award of the 8th China Charity Festival
- Wealth & Society Corporate Commitment Certificate 2021 Awarded by The Asian Banker
- 2021 Annual Outstanding Corporate Responsibility Award at the Social Responsibility Conferencer