



## Huize Holding Limited

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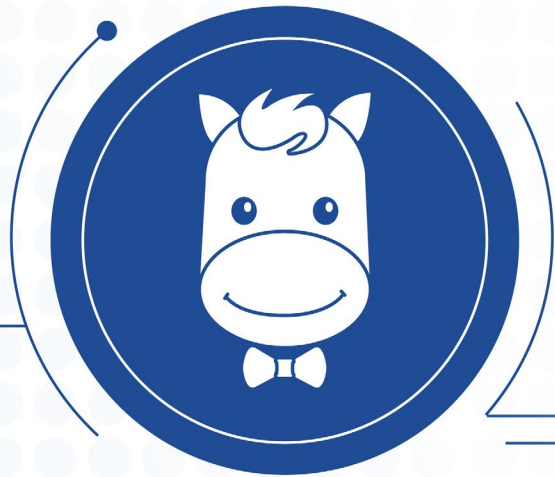
✉ investor@huize.com

# 2020

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

HUIZE HOLDING LIMITED

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## About This Report



This is the first Environmental, Social and Governance (“ESG”) report (hereinafter referred to as “this report”) published by Huize Holding Limited (hereinafter referred to as “Huize”, the “Company”, “we”, “us” or “our”). This report details Huize’s commitments to operating a sustainable business and highlights our ESG efforts and accomplishments in 2020.

### Reporting Scope

This report provides information on the ESG-related performance of the Company from January 1, 2020 to December 31, 2020 (the “Year”). The reporting structure and boundary are aligned with the findings of our materiality assessment.

We are a Cayman Islands-exempted company, and our Zhixuan International Management Consulting (Shenzhen) Co., Ltd. is considered as a foreign-invested enterprise. To comply with the laws and regulations of the People’s Republic of China (“PRC”), we operate in China primarily through a set of VIE arrangements with affiliated PRC entities, Shenzhen Huiye Tianze Investment Holding Co., Ltd. and its subsidiaries, including Huize Insurance Brokerage Co., Ltd. (“Huize Insurance Brokerage”), Shenzhen Huize Shidai Co., Ltd., Huize (Chengdu) Internet Technology Co., Ltd., Shenzhen Zhixuan Wealth Investment Management Co., Ltd., Hefei Huize Internet Technology Co., Ltd., and others entities. Unless otherwise specified, the scope of this report includes core business operations directly controlled by Huize, and the “Company” stated in this report includes its subsidiaries, its consolidated variable interest entities and the subsidiaries of those consolidated variable interest entities.

### Reference Standard

This report is prepared in compliance with the *ESG Reporting Guide 2.0* issued by the Nasdaq in 2019.

### Sources of Information

The data and information cited herein are sourced mainly from the Company’s internal statistical reports and records as well as public information, including prospectuses, annual reports, media releases, and other publications.

### Access to This Report

Please visit Huize’s investor relations website ([ir.huize.com](http://ir.huize.com)) to access the electronic version of this report.

### Contact Information

We value your feedback and opinion on this report. If you have any inquiries or advice, please email us at: [investor@huize.com](mailto:investor@huize.com).



## Letter from Our Chairman

In 2020, the COVID-19 pandemic had a profound impact across the world, from the development of countries to the business operations and the daily lives of each individual. Faced with a new complex and constantly changing internal and external environment, Huize has gained a series of considerable advantage from its independent online business platform, advanced digital technologies, and comprehensive younger generation user group, as a result of many years of providing devoted service in online insurance industry. We have leveraged these cumulative advantages by continuously increasing investment in R&D and talent acquisition, accelerating strategic business development, and reforming corporate strategy and governance structure. We are committed to shouldering our social responsibilities and initiating green finance practices to help lead in the healthy development of the digital insurance industry and create a better life for consumers.

In 2020, with the support of China's national policy regarding work resumption and steady growth, together with the joint efforts of all employees, Huize performed well, realizing impressive financial technology achievements recognized by the industry and consumers. To this end, we won a series of awards, including: "the 17<sup>th</sup> Shenzhen Top Brand", "2020 China Insurtech Top100", "2020 Hurun China Digital Insurance Agencies Top10", "2020 China Golden Tripod Awards - Excellent Insurance Agency of the Year", "2020 KPMG China Leading Fintech 50", etc.

More than a decade of rapid development has laid a firm foundation for China's industrial-internet and information technology sector, bringing about significant changes in people's lifestyles and work patterns, unlike the situation during the SARS pandemic in 2003. Huize was, in fact, one of China's online insurance sector pioneers. In 2006, we launched our online insurance business under the "Huize" brand and are now a leading digital insurance product and service platform for new generation consumers in China. By establishing a closed-loop online platform, we have continued to strengthen the connection between insurance companies and consumers. This is quite a contrast from the traditional offline insurance business model, especially over the long-term industry practices, which helped to significantly reduce transaction costs. On February 12, 2020, we overcame all difficulties and were successfully listed on the Nasdaq Global

Market in the United States. This is a reflection of our self-confidence and power as a Chinese company, introducing the development of China's online insurance sector to the international community, while also providing a fillip to the industry.

In 2020, our R&D expenses amounted to over RMB49.1 million, and the R&D personnel comprises 18.3% of our total employees. We have realized the goal of insurance product customization by integrating together digital technology and big data, which are two key factors affecting the development of the insurance industry. We have established a joint laboratory with the Research Institute of Big Data from the Southwestern University of Finance and Economics to deploy a new insurance technology infrastructure and launch a series of technological tools, including insurance knowledge mapping, AI Proposal application, and other innovations, which will help us evaluate consumers' needs more effectively. To meet a range of diversified needs and to create value for various consumer groups, we have introduced a host of tailor-made products, including: "Darwin No.3", "Defender No.3", "Hui Xin An No.3", "Jin Xi Family", and others. At the same time, we fully initiated the digital construction process and made more rapid strategic and governance structure adjustments with the aim of improving the Company's operational efficiency and elevating consumers' experience.

Purchasing insurance products used to be a time-consuming, exhausting and bothersome process for most consumers. High price, complicated procedures, and terms, as well as inflexible products and slow after-sales service kept some consumers away. Staying true to the original ideal of "Make insurance purchase as easy as buying a bottle of water", Huize provides consumers with personalized insurance solutions and a one-stop service experience to ensure they get the insurance product and service they need. Since our establishment, we have avoided chasing short-term gains, instead, we have always focused on satisfying our consumers' life-long insurance needs while maximizing the overall benefits that we can provide for them by building an integrated insurance ecosystem.

Backed by our powerful 24-hour per day/7-day each week ("24/7") customer service mechanism, we act as a bridge between insurance consumers and insurers to assist with claim settlements. We launched our

"Xiao Ma Claim" service to provide consumers with a more efficient and convenient claim settlement experience. In 2020, we assisted with nearly 43 thousand claim settlements, totaling RMB242 million. After the Covid outbreak, we launched "Pandemic Protection Insurance", which aided in health risk management during the pandemic.

Under today's emerging online insurance business sector and regulatory system, Huize always adheres to a customer-first philosophy and compliance operation, and strengthens compliance and platform operation transparency through various systematic measures. In fact, in compliance with regulatory requirements, Huize launched the "Traceable Online Insurance Sales" system to ensure greater self-regulation and better protection of consumers' interests, driving the development of wide-ranging regulatory policies throughout the industry.

Leveraging our resources, we proactively assumed our social responsibilities and successfully held the 6<sup>th</sup> Huize "Aizhi Public Welfare" program to donate books and support the improvement of library facilities for schools in the less-developed remote areas of China. In 2020, we donated books to Jiaode Primary School in Dujiang Town, Qiannan Sandu County, Guizhou Province.

This is our first year to publish an ESG report. We hope it will improve transparency of Huize's ESG performance and provide investors with deeper insights about Huize and its operations. We will continue to strengthen our communication with stakeholders, improve our overall ESG governance as well as internal systems and risk management. Looking ahead, we will further explore and create shared value for our stakeholders and work toward playing a leading role in promoting online insurance industry reforms.

**Cunjun Ma**

Chairman and CEO  
Huize Holding Limited





# About the Company

## About Us

Founded in 2006, Huize is a leading digital insurance product and service platform for new generation consumers across China. We provide insurance products underwritten by our insurer partners and help them reach larger numbers of insurance clients. Listed on the Nasdaq Global Market under the ticker symbol "HUIZ", Huize is headquartered in Shenzhen, Guangdong Province, with a technology research and development center located in Chengdu, Sichuan Province as well as a customer service center in Hefei, Anhui Province.

We operate as an independent digital insurance platform with a dual-engine business model, helping our insurer partners distribute their products to potential customers more effectively while providing potential customers with one-stop insurance solutions from online consultations and product recommendations to claim assistance services. As of December 31, 2020, we cooperated with 75 insurer partners, representing a substantial portion of all licensed insurance companies in China.

Specialized in offering long-term life and health insurance products, we also co-develop tailor-made life and health insurance products with our insurer partners. Targeting the lifetime insurance needs of a new generation of consumers, a substantial portion of our client base is typically well-educated and tech-savvy, and they have a strong preference for online transactions. As of December 31, 2020, we had served a total of 6.8 million insurance customers. The average age of those who purchased life and health insurance products through our platform, excluding annuity insurance, is 32.7 years old.

Our closed-loop online platform covers the entire insurance life cycle and provides insurance customers with a wide spectrum of products, one-stop service, and a streamlined transaction experience. Our data technology can also support the analysis of customer behavior, individual and family insurance needs, and risk pricing.




Moving forward into the "Smart Insurance" era, we strive to maximize the benefits for our users by building a more closely integrated insurance ecosystem and offering high-quality insurance products together with value-added services. We aim to become the go-to gateway to the online insurance industry for the younger generations in China.



## Our Value Propositions



As a pioneer in China's independent online insurance product and service industry, Huize has gone through three stages of Fin-tech development, from the online insurance and digital insurance stage to the smart insurance stage supported by our untiring innovation efforts.

1.0 	2.0 	3.0 
<b>Online Insurance</b> (2006-2015)	<b>Digital Insurance</b> (2015-2020)	<b>Smart Insurance</b> (From 2020 onwards)
<ul style="list-style-type: none"> <li>Pioneered a dual-engine platform model within the industry</li> <li>Provided one-stop digitalized online insurance experience for users</li> </ul>	<ul style="list-style-type: none"> <li>Omni-channel online distribution model</li> <li>Co-developed products with insurer partners</li> <li>Developed intelligent underwriting system</li> </ul>	<ul style="list-style-type: none"> <li>AI technology to enhance efficiency, risk management and customer lifetime value</li> <li>Ecosystem investment around core Huize platform</li> </ul>

# Our Milestones

- Huize.com welcomed its first registered user and distributed its first insurance policy
- Launched our customer service center and opened the online customer service to create the best-in-class service experience for clients
- Initiated two donation activities to support earthquake and drought recovery and reconstruction of Yushu in Qinghai Province. Huize donated 1% of insurance premiums from April 21 to May 21 to the Red Cross Society of China
- Strategically laid out a customer service center in Hefei and launched 24/7 online service
- Became the online insurance platform with long-term insurance products offerings
- Launched an online insurance platform to provide consultation and customized family insurance plan services
- Customer service center was awarded “Shenzhen High-quality Insurance Service Top 10”
- Reached over 5 million insurance clients
- Raised Series A funding from SAIF Partners
- Held the first Huize “Aizhi Public Welfare” program with the Lions Clubs to donate 4,000 books to Changtian Primary School in Changyuan County, Meizhou City
- Raised Series B and B+ funding from investors led by Wanrong Capital, CDF Capital, Fortune Capital and Beijing Koala Kunlu Internet Industry Investment Fund(L.P.)
- Customer service center in Hefei expanded to 7,000 m<sup>2</sup>
- Established Huize (Chengdu) Internet Technology Co., Ltd. and launched R&D center in Chengdu to enhance technology capabilities driven by big data, artificial intelligence, and cloud computing
- Listed on the Nasdaq Global Market in February 2020
- Earned certification as Safety Level III Computer Information System
- Established a joint laboratory together with the Research Institute of Big Data from the Southwestern University of Finance and Economics

2006

2008

2010

2012

2014

2016

2018

2020

2007

2009

2011

2013

2015

2017

2019

- Partnered with Sunshine Insurance Group to launch innovative cycling insurance products, symbolizing the start of a new chapter of insurance product customization
- Won the “Most Reputable Brand Award 2009” in Chinese E-Commerce Category
- Launched emergency rescue plan after receiving the first emergency call and successfully assisted in rescuing 9 missing clients
- Received strategic investment from Focus Technology Co., Ltd.
- Launched emergency rescue plan after receiving the first emergency call and successfully assisted in rescuing a client traveling alone in the Taklimakan Desert
- Helped 10,000 clients settle insurance claims
- Partnered with China Life Insurance to issue the third-party online insurance e-invoice in China
- Earned certification as National High and New Tech Enterprise
- Upgraded Huize’s alliance brand to “www.qixin18.com”, a platform we developed to connect to and cooperate with our user traffic channels so as to enhance their efficiency in directing client traffic
- Cunjun Ma, founder and CEO of Huize, was elected chairman of the Online Insurance Third-Party Platform Expert Alliance of the Insurance Association of China
- Established the sub-brand website “www.xiebao18.com”, which primarily focuses on corporate insurance products and travel insurance products
- Set “No cold calls, misrepresentations or delayed service” as well as “Help with product knowledge, recommendations and claim settlement” as customer service standard China
- Huize was included in the List of KPMG China “Leading Fintech 50” for the third consecutive year





# Our Highlights in 2020

## Our ESG Highlights

### Increasing R&D Investment and Capability



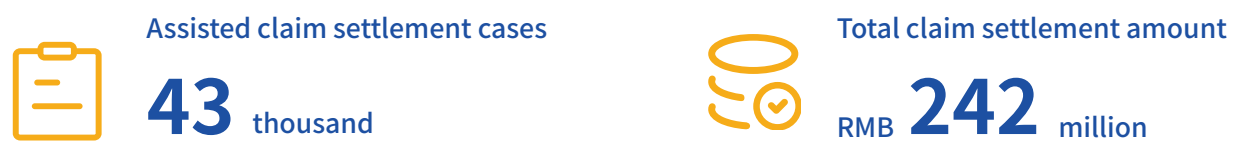
### Enhancing Corporate Governance and Risk Management

Formulated and revised a series of internal policies on risk management, internal control, business ethics, anti-corruption, and intellectual property protection

Enhanced management of supplier evaluation and procurement procedures



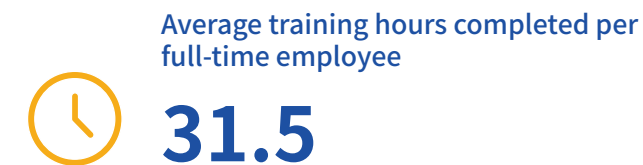
### Improving Customer Service Experience through Technology



### Improving Customer Service Experience through Technology



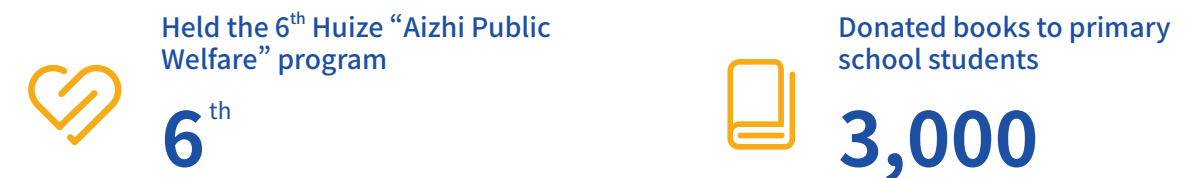
### Caring for Employees and Supporting Talent Development



### Promoting Green Office and Low-Carbon Operation



### Shouldering Social Responsibility



## Our Awards and Recognition

**Jan. 2020**

- Advanced Public Welfare-Supporting Institution  
Federation of Shenzhen Industries
- The 17<sup>th</sup> Shenzhen Top Brand  
Shenzhen Top Brand Evaluation Committee

**Jul. 2020**

- 2020 China Insurtech Top100  
INSLAB

**Sep. 2020**

- 2020 Popular Health Insurance Product  
China Times
- 2020 Hurun China Digital Insurance Agencies Top10  
Hurun Research Institute

**Oct. 2020**

- 2020 China Golden Tripod Awards - Excellent Insurance Agency of the Year  
National Business Daily
- Insurance Agency Leader of the Year  
Insurance Today

**Nov. 2020**

- 2020 Guangdong Extraordinary Employer of CSR Practice  
Liepin.com
- Gold Award - The 3rd China Enterprise Performance Improvement Competition  
Sinotrac & Training Magazine

**Dec. 2020**

- Excellent Insurance Agency Service Award  
JRJ.com
- Best Critical Illness Insurance Product of the Year  
Information Times



## Our New Tailor-made Insurance Products

Huize has leveraged years of experience and continuous improvements in product customization capabilities, and delivered tailor-made products, including “Darwin No.3”, “Defender No.3”, “Hui Xin An No.3”, “Jin Xi Family”, and others in 2020.

In particular, the launch of “Darwin No.3”, a critical illness insurance product with expanded coverage for moderate and severe illnesses, second claim protection for certain critical illnesses and higher insured amount, represents another of the Company’s innovative health insurance products. “Jin Xi Family”, a customized saving insurance product designed to meet the diversified needs of our customers, is our first online joint life annuity insurance. Going forward, we will continue to explore and develop innovative products with value-added services.





# Stakeholder Engagement and Materiality Assessment

## Communication with Stakeholders

Huize attaches great importance to stakeholder engagement, which provides the board of directors and senior management with useful feedback on a wide range of subjects that matter most. To this end, we have established a stakeholder communication mechanism that encourages each business unit and all functional departments to regularly communicate with stakeholders on topics related to their work and business through various channels in order to better understand

stakeholders' relevant expectations and concerns. During the Year, we have engaged with shareholders/investors, insurer partners, insurance clients, government/regulatory authorities, suppliers, media, the public/NGOs, as well as our employees. The expectations of these stakeholders provide a crucial reference for us to identify important topics, to enhance our ESG-related work, and to carry out relevant information disclosure.



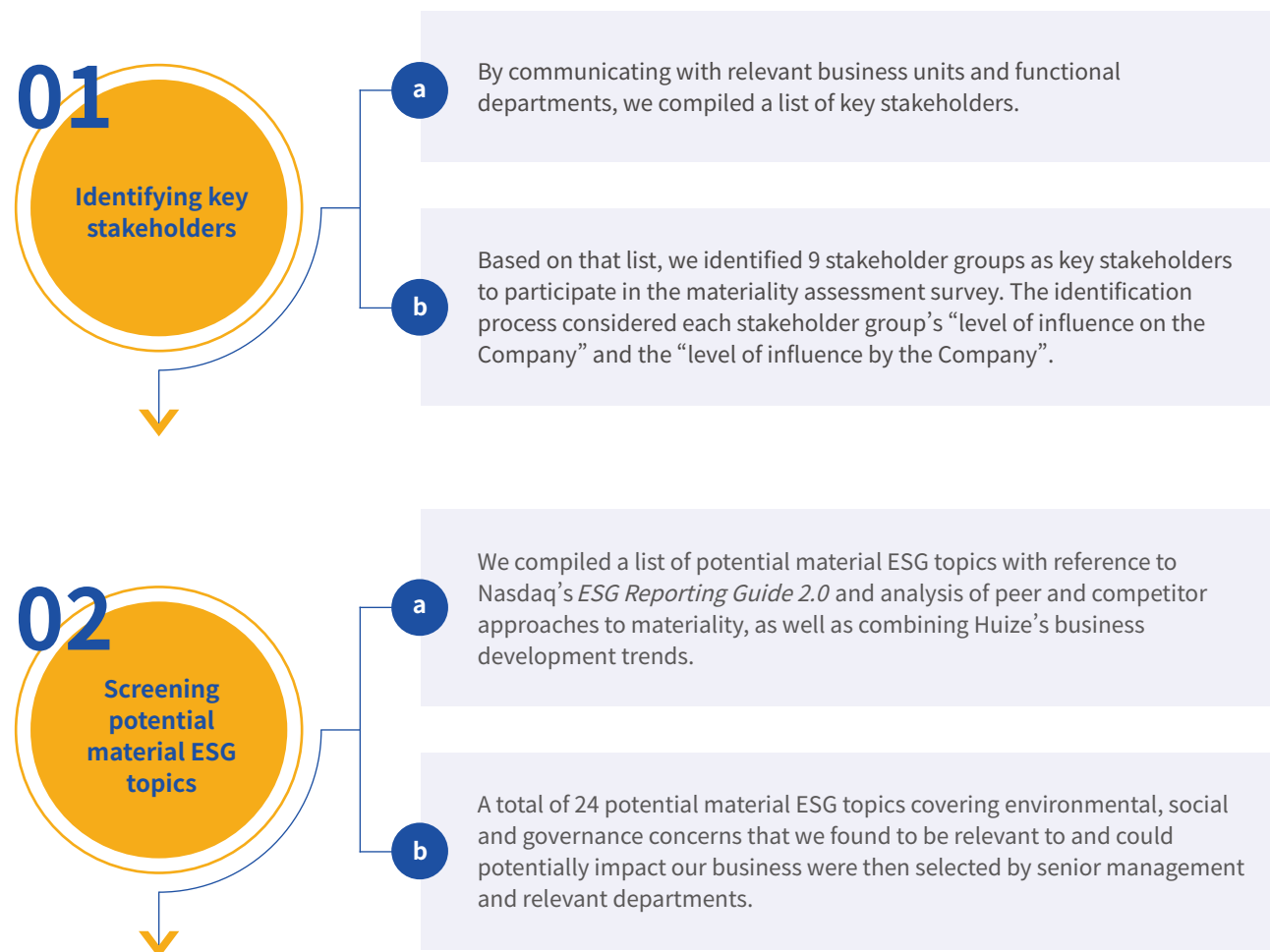
Stakeholders	Expectations and Concerns	Communication Methods
 Shareholders/ Investors	<ul style="list-style-type: none"> <li>Operational compliance</li> <li>Shareholders' rights</li> <li>Continuous and stable business growth</li> <li>Accurate and prompt information disclosure</li> </ul>	<ul style="list-style-type: none"> <li>Shareholders' meetings</li> <li>Investor meetings and conferences</li> <li>Annual reports and announcements</li> <li>Telephone/email communication</li> <li>Investor relations website</li> <li>Board resolutions</li> </ul>
 Insurer partners	<ul style="list-style-type: none"> <li>Business cooperation</li> <li>Product customization</li> <li>Win-win cooperation</li> </ul>	<ul style="list-style-type: none"> <li>Meetings</li> <li>Telephone/email communication</li> <li>Site visits</li> </ul>
 Insurance clients	<ul style="list-style-type: none"> <li>Convenient and high-quality insurance services and products</li> <li>Data privacy and information security</li> <li>Client satisfaction improvement</li> <li>Product responsibility</li> </ul>	<ul style="list-style-type: none"> <li>Official Website</li> <li>Live chat programs</li> <li>Hotline</li> <li>24/7 customer service center</li> <li>Client surveys for feedback</li> <li>Claim settlement consultancy</li> </ul>
 Government/ Regulatory authorities	<ul style="list-style-type: none"> <li>Operational compliance</li> <li>Data protection</li> <li>Promote economic development</li> <li>Support social livelihoods</li> </ul>	<ul style="list-style-type: none"> <li>Compliance reports</li> <li>Information disclosure</li> <li>Routine communication and reporting</li> <li>Supervision and inspection</li> <li>Site visits</li> </ul>
 Employees	<ul style="list-style-type: none"> <li>Stable employment</li> <li>Reasonable employee benefits</li> <li>Friendly working environment</li> <li>Training and development</li> </ul>	<ul style="list-style-type: none"> <li>Internal meetings</li> <li>Regular surveys for feedback</li> <li>Training</li> <li>Employee activities</li> <li>Performance assessments</li> </ul>
 Suppliers	<ul style="list-style-type: none"> <li>Integrity management</li> <li>Mutual benefit</li> <li>Fair purchase</li> <li>Empowering suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Supplier evaluation system</li> <li>Procurement</li> <li>Supplier meetings</li> <li>Bidding and competitive negotiation meetings</li> <li>Site visits</li> </ul>
 Media	<ul style="list-style-type: none"> <li>Information disclosure and transparency</li> <li>Corporate social responsibility</li> <li>Company development and news</li> <li>Development strategy</li> <li>Public relations</li> <li>Industry insights</li> <li>Senior management statements</li> </ul>	<ul style="list-style-type: none"> <li>Press releases and conferences</li> <li>Exclusive interviews</li> <li>Media forums and meetings</li> </ul>
 The public/NGOs	<ul style="list-style-type: none"> <li>Support public welfare</li> <li>Environmental conservation</li> </ul>	<ul style="list-style-type: none"> <li>Public service activities and programs</li> <li>Community service activities</li> <li>Environmental protection activities</li> <li>Relevant seminars/workshops</li> </ul>

# Materiality Assessment

During the Year, we conducted a materiality assessment to identify ESG topics that are material to the Company's business operations and reflect stakeholders' expectations and concerns. We have successfully invited internal and external stakeholders, including the board of directors, senior management, employees, shareholders/investors, insurance clients, suppliers, insurer partners, media, and the public/NGOs to participate in the questionnaire survey. When evaluating

the materiality aspect, we assessed impacts of our policies and practices to external stakeholders and ecosystems in addition to the aspects directly affecting the Company. Through this assessment project, we were also able to prioritize material topics from the valuable perspectives of stakeholders and initiate actions that can be taken in response to stakeholders' concerns while further sharing our ESG strategy and business decisions with them.

The Company's materiality assessment follows an approach involving this series of steps:

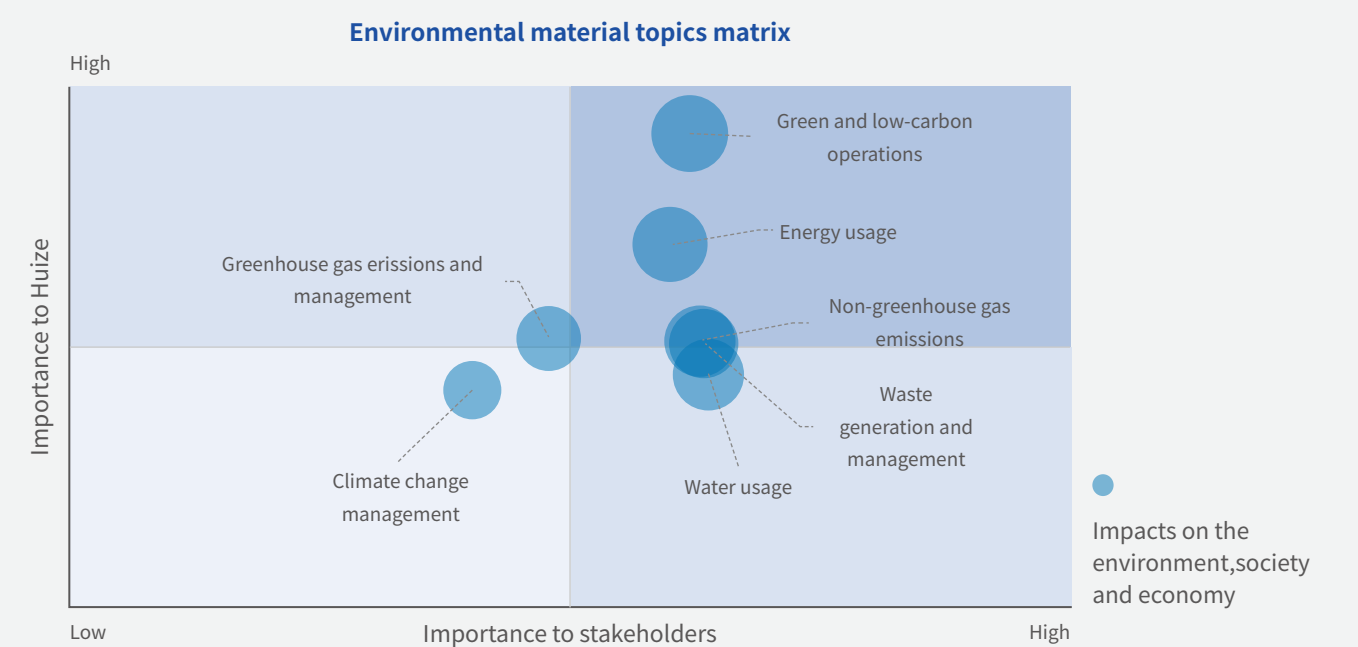


## 03 Conducting the questionnaire survey

- a We invited key stakeholders to rank the 7 environmental topics, 8 social topics and 9 governance topics on the survey. The board of directors and senior management ranked potential material ESG topics from the standpoint of "importance to Huize" and "impacts on the environment, society and economy". The other key stakeholders ranked potential material ESG topics from the standpoint of "importance to stakeholders" and "impacts on the environment, society and economy".
- b A total of 177 valid questionnaires were received.

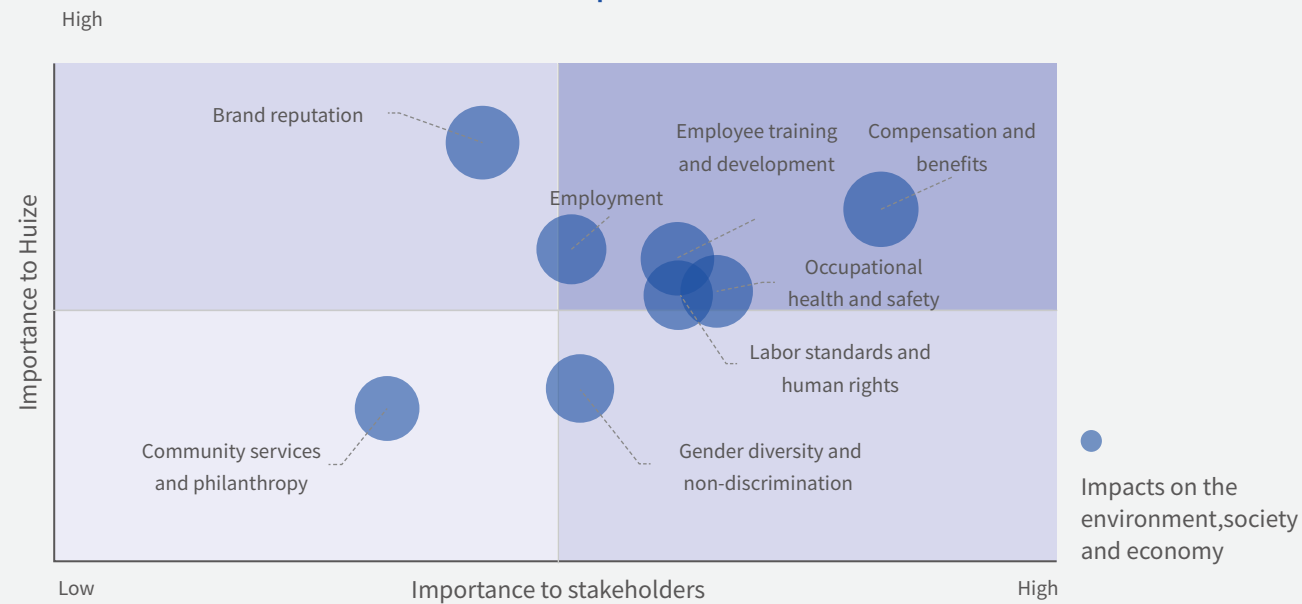
## 04 Analyzing survey results

- a When analyzing all valid questionnaires, we treated each stakeholder group's opinion as equally influential. We summarized topics that received relatively higher scores in all three dimensions as analysis results of the survey.
- b As the matrix below shows, the placement of the 24 potential material ESG topics reflects their relative priority by our stakeholders. Topics in the upper right corner of the matrix were considered by both external and internal key stakeholders as relatively more important for Huize. And the size of the bubble indicated the degree to which we do or could have an impact on the environment, society and economy in relation to the potential material ESG topics.

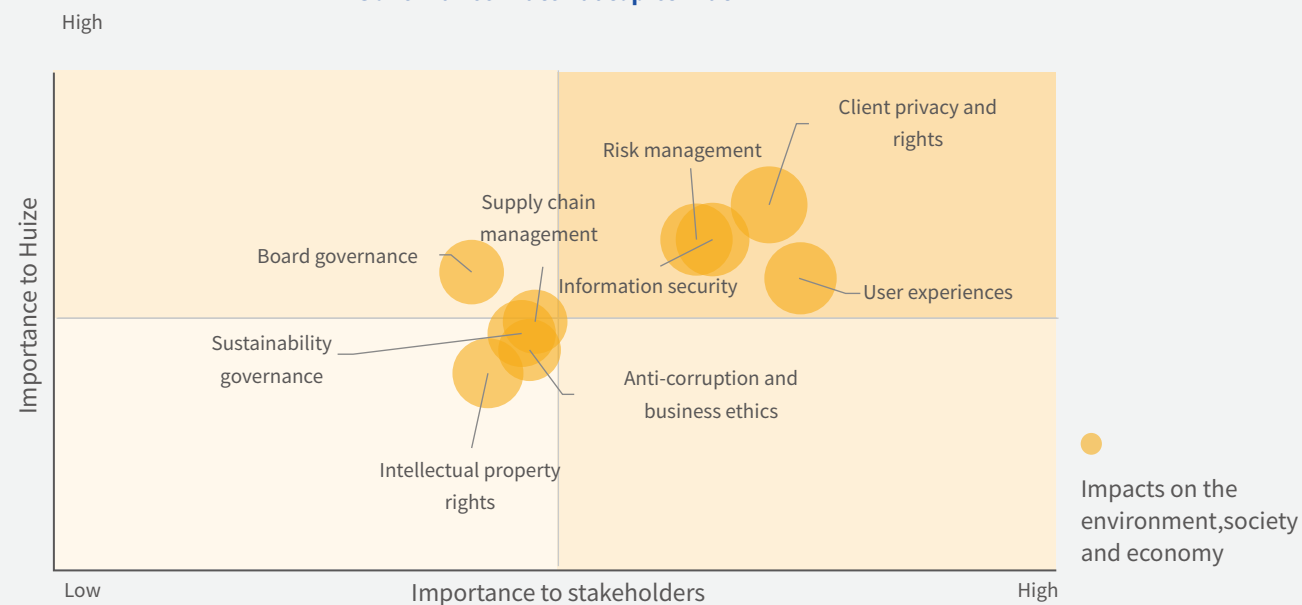




**Social material topics matrix**



**Governance material topics matrix**



**05 Confirming material topics**

After reviewing the process and analysis result of the survey, while considering the Company's actual operation situation, the board of directors confirmed 2 material topics from the environmental aspect, 5 material topics from the social aspect and 4 material topics from the governance aspect to be the "material topics". Among these, not all material topics from environmental aspect identified from the survey were ultimately selected in, as we consider the fact that our main business operations take place in office settings and have limited impact on the environment. Policies and practices related to the confirmed material topics are further disclosed in this report.

	Environmental Aspect	Social Aspect	Governance Aspect
Material Topics	<ul style="list-style-type: none"> <li>Green and low-carbon operations</li> <li>Energy usage</li> </ul>	<ul style="list-style-type: none"> <li>Compensation and benefits</li> <li>Employee training and development</li> <li>Occupational health and safety</li> <li>Labor standards and human rights</li> <li>Employment</li> </ul>	<ul style="list-style-type: none"> <li>Client privacy and rights</li> <li>Information security</li> <li>User experiences</li> <li>Risk management</li> </ul>
Other Topics	<ul style="list-style-type: none"> <li>Non-greenhouse gas emissions</li> <li>Waste generation and management</li> <li>Water usage</li> <li>Greenhouse gas emissions and management</li> <li>Climate change management</li> </ul>	<ul style="list-style-type: none"> <li>Brand reputation</li> <li>Gender diversity and non-discrimination</li> <li>Community services and philanthropy</li> </ul>	<ul style="list-style-type: none"> <li>Board governance</li> <li>Sustainability governance</li> <li>Supply chain management</li> <li>Anti-corruption and business ethics</li> <li>Intellectual property rights</li> </ul>

# Enhancing Corporate Governance and Risk Management

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# Board Composition and Governance

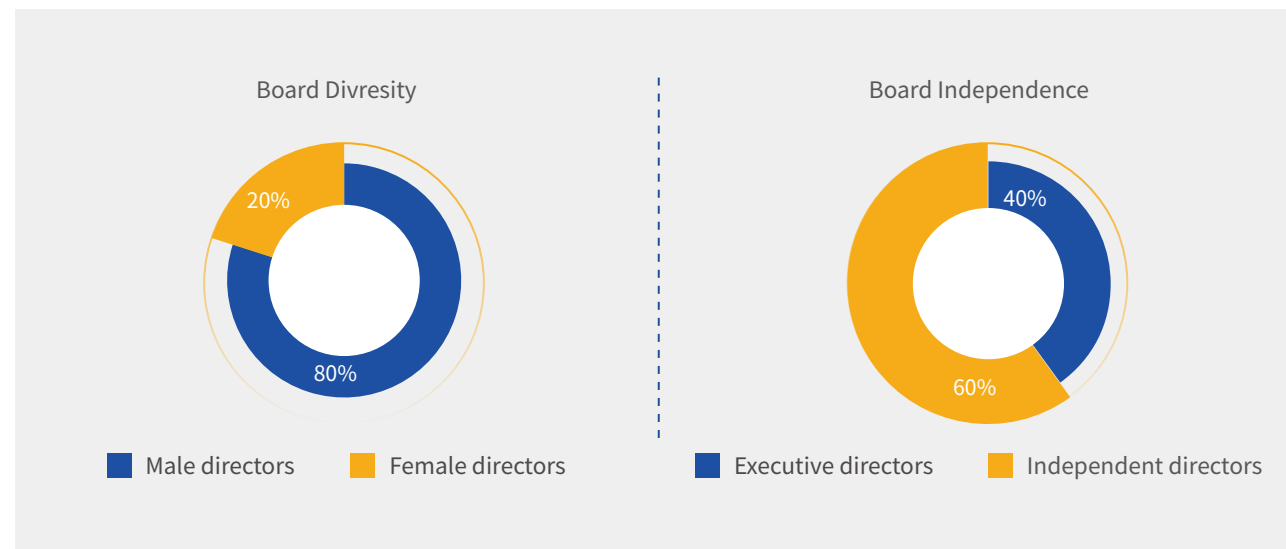
Huize’s corporate governance is in compliance with the *Nasdaq Stock Market LLC Rules* (《纳斯达克股票上市规则》), the *United States Securities Act of 1933* (《美国 1933 年证券法》) as well as the *United States Securities Exchange Act of 1934, as amended* (《美国 1934 年证券交易法》), and other applicable laws. As Huize’s decision-making body, our board of directors is responsible for managing, directing, and supervising our business affairs while ensuring effective risk management and the long-term operations of the Company’s internal control system.

We attach great importance to diversification and gender equality among our board of directors. When nominating candidates for board positions, we consider candidates’

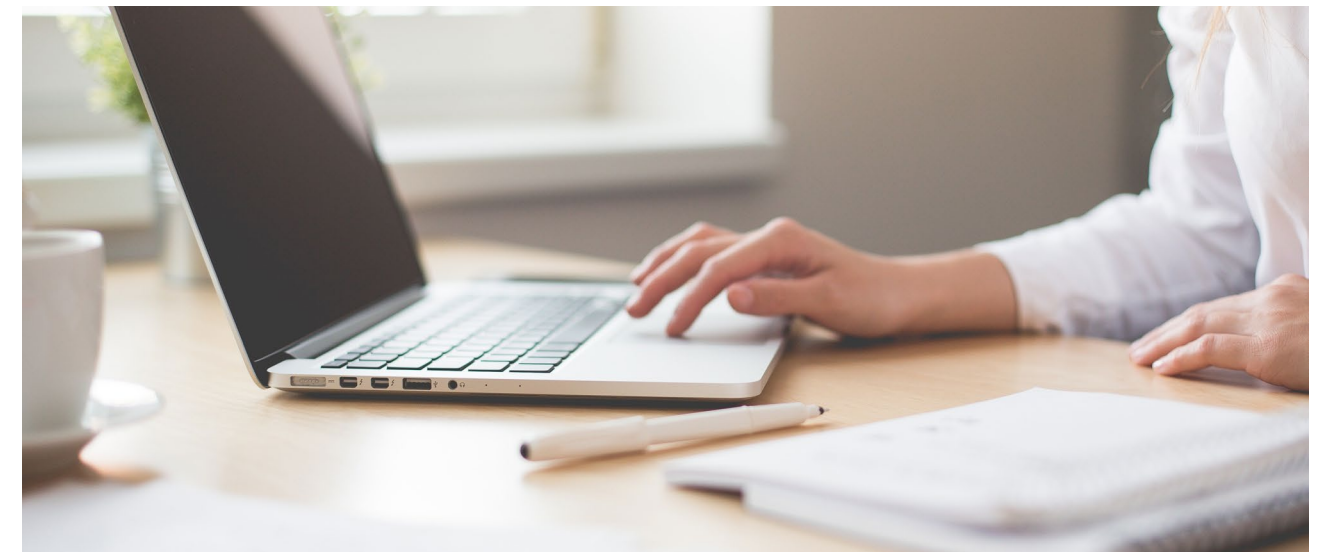
gender, age, cultural and educational background, industry experience, and expertise. Our aim is to appoint members that are the best fit for the Company, offering the right balance of skills, experience, and perspectives. The current board members have diverse backgrounds in insurance, business administration, financial accounting, finance, law, and other fields.

Our board consists of five directors, including two executive and three independent directors. We believe that our current composition of both executive and independent directors is fully capable of offering independent opinions and judgments that can help the Company to prevent and control risks and avoid conflicts of interest while developing its business strategy.

The charts below provide the diversity and independence statistics for Huize’s board of directors.



In addition, we have established three committees under the board of directors: an Audit Committee, a Compensation Committee, and a Nominating and Corporate Governance Committee. All members of these committees are independent directors. Brief descriptions of these committees are noted below. For more detailed information please refer to our annual report on Form 20-F.



Committees	Main Functions	Chairman	Members
Audit Committee	Oversees accounting and financial reporting processes and the audits of the financial statements.	Mr. Bin Wei	Mr. Jun Ge, Mr. Aaron Xiaolei Hou
Compensation Committee	Assists the board of directors in reviewing and approving the compensation structure.	Mr. Jun Ge	Mr. Bin Wei, Mr. Aaron Xiaolei Hou
Nominating and Corporate Governance Committee	Assists the board of directors in selecting individuals qualified to become directors and determining the composition of the board and its committees.	Mr. Aaron Xiaolei Hou	Mr. Bin Wei, Mr. Jun Ge

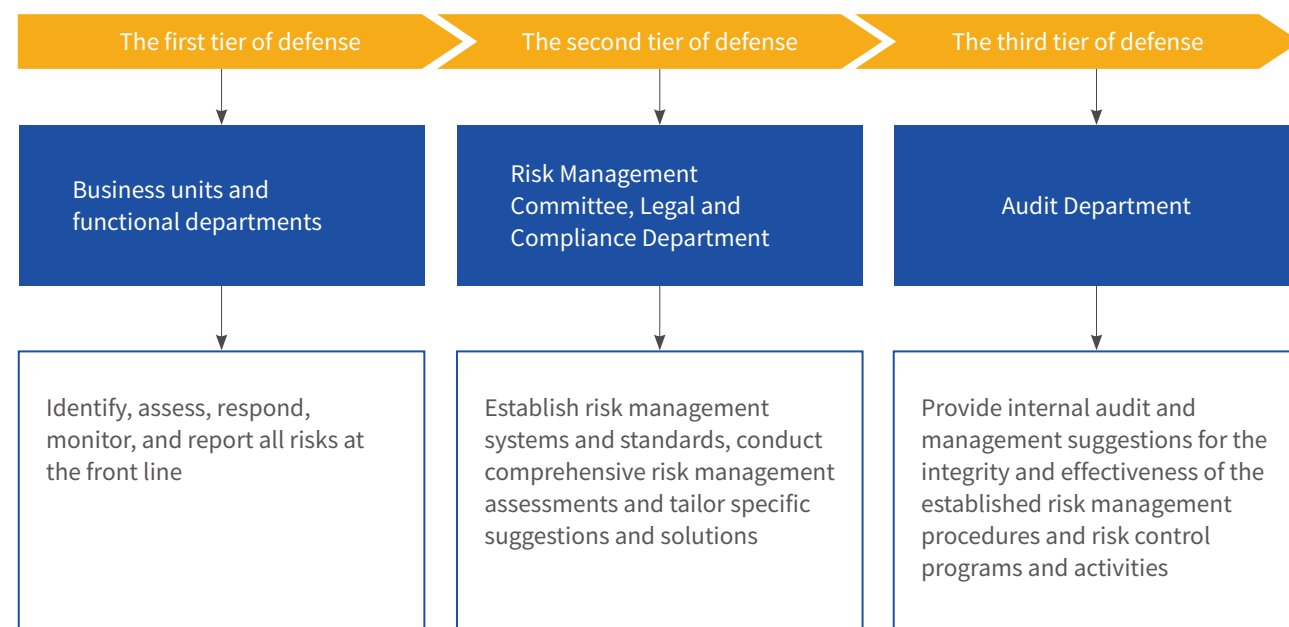
## Risk Management and Internal Control

Our business operations comply with relevant laws and regulations, including: the *Insurance Law of the PRC* (《中华人民共和国保险法》), the *Anti-Money Laundering Law of the PRC* (《中华人民共和国反洗钱法》), the *Anti-Monopoly Law of the PRC* (《中华人民共和国反垄断法》), the *Provisions on the Supervision and Administration of Insurance Brokers* (《保险经纪人监管规定》), the *Anti-Insurance Fraud Guidelines* (《反保险欺诈指引》), the *Basic Internal Control Norms for Enterprises* (《企业内部控制基本规范》), and the *Sarbanes-Oxley Act* (《萨班斯·奥克斯利法案》). We have developed and adopted a risk management system and internal control

policies for potential risks related to fraud prevention and anti-money laundering, involving the core stages of Huize's insurance transactions. We had been formulating a core internal policy - the *Comprehensive Risk Management System* (《慧择全面风险管理制度》), with supporting policies adopted by Huize Insurance Brokerage that includes the *Anti-Money Laundering Management System* (《慧择反洗钱管理制度》), as well as the *Crackdown on Gang Crimes Management Measures* (《慧择扫黑除恶管理办法》), and the *Insurance Fraud Risk Management Measures* (《慧择保险欺诈风险管理办法》).

## Risk Management Structure

Huize's risk management structure comprises board of directors, Risk Management Committee, Legal and Compliance Department, and individual personnel responsible for risk management for each business unit and functional department. We have also established three tiers of defense for risk management in order to enhance risk management, clarify management responsibilities, improve management capabilities and safeguard the Company's future business prosperity. Each tier and function are described below.

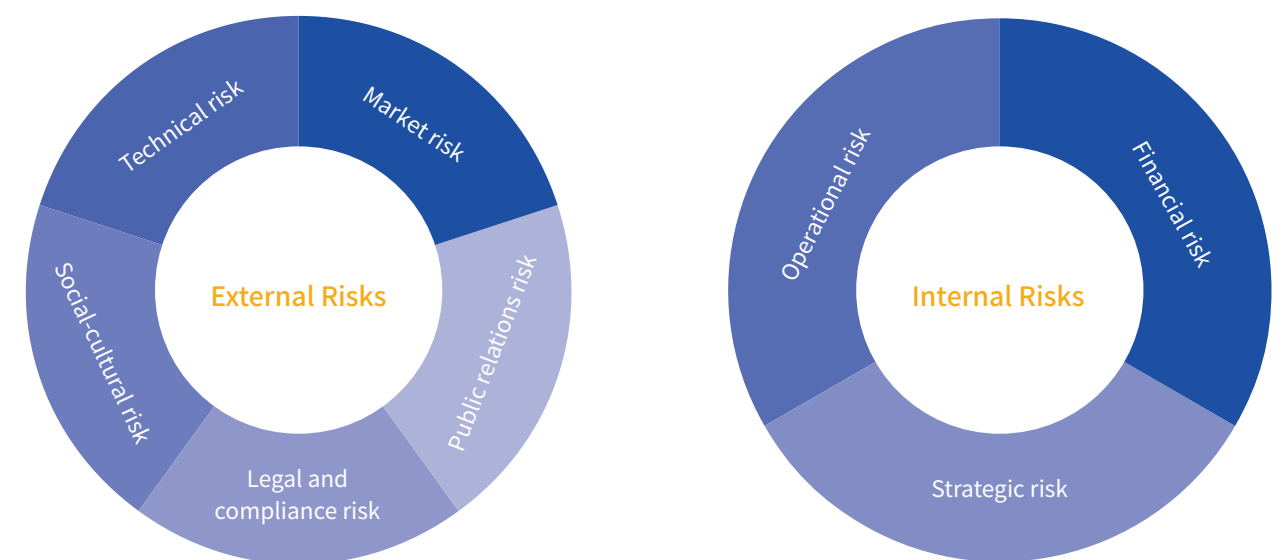


## Risk Assessment and Classification

We carry out risk identification, analysis and assessment based on an established risk management and internal control system. When conducting the assessments, we adopt both qualitative and quantitative approaches and focus on analyzing the likelihood and influence of different types of risks while comparing all risks.



Taking Huize's particular business circumstances into account, we classify operational risks into external and internal risks as noted below:



## Business Ethics and Anti-Corruption

Our architecture of business ethics and anti-corruption policies form an essential part of the Company’s institutional and cultural infrastructure as we emphasize the concepts of: “kindness”, “client first” and “integrity”. The applicable laws and regulations for us include the *Anti-Unfair Competition Law of the PRC* (《中华人民共和国反不正当竞争法》) and the *United States Foreign Corrupt Practices Act* (《美国海外反腐败法》).

In compliance with the above mentioned domestic and international laws and regulations, Huize has established a system comprising the *Code of Business Conduct and Ethics* (《慧择商业行为和道德准则》) (the “Code”) and the *Anti-Corruption Compliance Policy* (《慧择反腐败合规政策》) (the “Policy”). The Code and the Policy apply to all directors, officers, and employees of the Company,

while the Policy is also applicable to our shareholders, dealers, and other agents, or third parties acting on behalf of the Company.

To protect the Company against money laundering activities, we have established an Anti-Money Laundering Leading Group chaired by the chief executive officer (CEO) and led by the Executive Office. Other members of the Executive Office and responsible officers of Huize’s subsidiaries are also members of this group. The Product Development Center and relevant functional departments also assist the leading group in reviewing all existing relevant approval procedures for anti-money laundering, identifying suspicious activities or transactions, and collecting relevant information.



## Supplier Management

Huize has formulated the *Supplier Management Measures* (《慧择供应商管理办法》), which covers selection, entry, replacing, evaluation, and rating of the suppliers, as well as the eventual termination of business relationships with them. This guarantees the quality of product and service outsourced from suppliers, while preserving sound competitive relationships among suppliers externally, and maintaining effective supplier management internally. As a means to enhance the Company’s procurement management by avoiding irregularities related to favoritism during the procurement process while also improving the monitoring and management of the cost and quality of products and services, Huize also revised its *Procurement Management Measures* (《慧择采购管理办法》) and *Procurement Procedure Operating Rules* (《慧择采购流程操作细则》) in 2020. Based on the *Procurement Management Measures*, personnel from procurement management department involved in the procurement process are required to follow the Company’s anti-bribery code and sign an *Anti-Commercial Bribery Commitment Letter* at the beginning of the year or before the start of each procurement project (limited to bidding activities, with the exception of competitive negotiations and general procurement). We adopt different procurement methods and procedures when purchasing different types of products and services, as outlined on the right.

### Procurement of Products and Services

- IT equipment
- IT-related daily consumables
- Office furniture
- Logistic replenishment
- Electric appliances
- Software and services

### Procurement Methods

- General procurement
- Professional procurement
- Exceptional procurement

### Procurement Procedures

- Bidding procurement procedure
- Offline store and e-commerce procurement procedure
- Competitive negotiation procurement procedure
- Inquiry and price comparison procurement procedure
- Framework procurement procedure
- Exceptional procurement procedure



### Supplier Evaluation

#### > Evaluation Organization

The procurement management department is responsible for carrying out evaluation of suppliers with evaluators comprising members from its own rankings along with department personnel who initiate the procurement demands, the Finance Department, as well as the Legal and Compliance Department.

Procurement management department	Departments that initiated demands	Finance Department	Legal and Compliance Department
<ul style="list-style-type: none"> <li>Rate suppliers according to the established evaluation criteria and standards</li> </ul>		<ul style="list-style-type: none"> <li>Assess suppliers' previous performance and misconduct from financial and legal perspectives</li> </ul>	

#### > Evaluation Standards

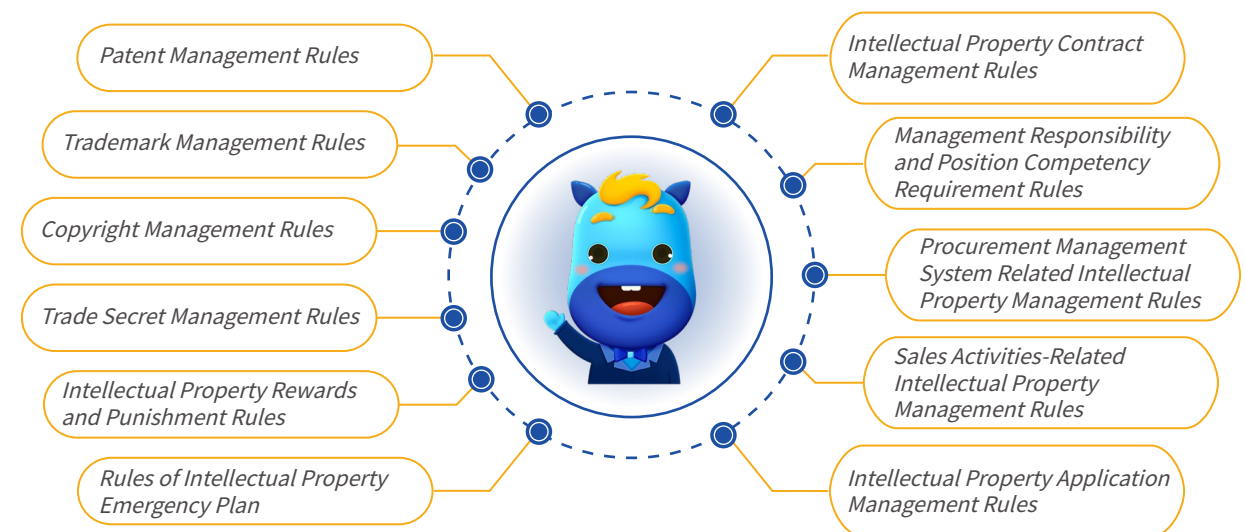
The procurement management department formulates and revises supplier evaluation standards while directing evaluators to conduct comprehensive evaluation for all cooperating suppliers based on the indicators below (includes but not limited to).

Procurement management department	Departments that initiated demands	Finance Department	Legal and Compliance Department
<ul style="list-style-type: none"> <li>The risk of procedural legitimacy</li> <li>Whether the supplier can fulfill the actual operation of the business</li> <li>Adaptability of the Company's scale and value culture</li> <li>Price</li> <li>Historical record of cooperation</li> <li>Product and service quality risk</li> <li>Technical risks</li> </ul>		<ul style="list-style-type: none"> <li>Invoicing and taxation risk</li> <li>Settlement risk</li> <li>Labor employment risk</li> <li>Intellectual property risk</li> <li>Qualification compliance risk</li> <li>Whether there is any record of illegal activity</li> <li>Contract risk</li> </ul>	

## Intellectual Property Protection

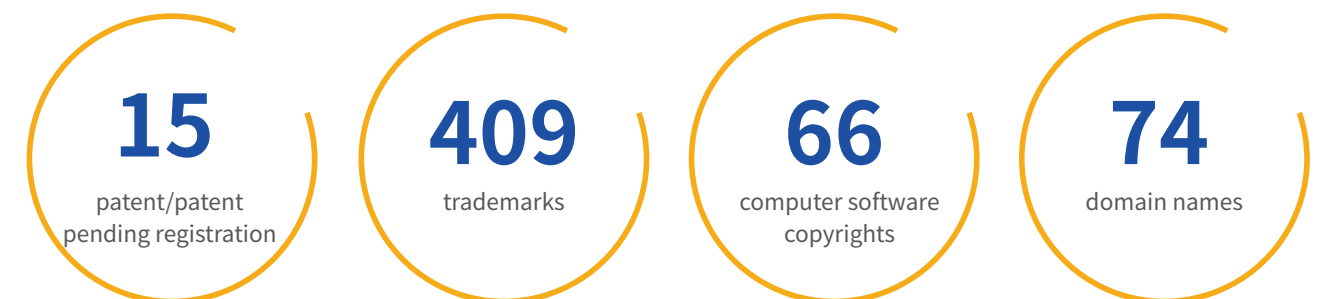
Huize attaches great importance to intellectual property-related work and adheres to a series of laws and regulations, including the *Anti-Unfair Competition Law of the PRC* (《中华人民共和国反不正当竞争法》), the *Copyright Law of the PRC* (《中华人民共和国著作权法》), the *Trademark Law of the PRC* (《中华人民共和国商标法》), the *Patent Law of the PRC* (《中华人民共和国专利法》) and other relevant provisions. To protect the Company's intellectual property rights, improve its management and

maintain the effectiveness of the intellectual property certification system, while encouraging invention and creation, Huize Insurance Brokerage formulated the *Intellectual Property Management Measures* (《慧择知识产权管理办法》) (the "Measures") in accordance with the *Enterprise Intellectual Property Management* (《企业知识产权管理规范》). Under these Measures, Huize Insurance Brokerage also formulated a set of 11 rules, which are listed below.



We believe our trademarks, domain names, copyrights, know-how, proprietary technologies, and similar intellectual properties are critical factors to our success. We rely on a combination of trademark and trade secret laws as well as confidentiality, invention assignment and non-compete agreements with our employees and other business partners to protect our proprietary rights.

As of December 31, 2020, Huize held 1 patent and 14 patent pending registrations. We have registered 409 trademarks, 66 computer software copyrights, and 74 domain names.



# Improving Customer Service Experience through Technology

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02





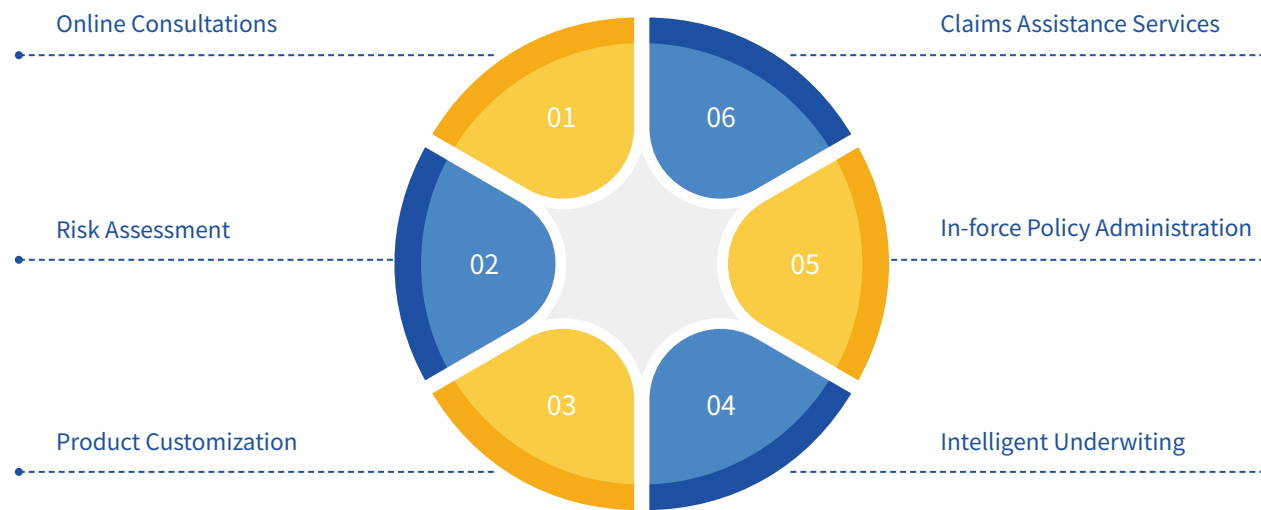
# One-Stop Insurance Services

## Comprehensive Customer Services

Huize has been dedicated to prioritizing the customer experience by improving the overall service and protecting customers' rights. Our closed-loop online platform covers the entire insurance life cycle and provides insurance customers with a wide spectrum of products, one-stop service, and a streamlined

transaction experience. We offer one-stop insurance solutions including online consultations, risk assessment, product customization, intelligent underwriting, in-force insurance policy administration, and claim assistance services.

One-stop Insurance Solutions



We have a dedicated customer service team in charge of addressing basic inquiries and providing comprehensive services. Our team also helps insurance customers navigate smoothly through the entire insurance transaction process, while assisting with claim application and settlement, and responding to complaints. We conduct ongoing evaluations of our customer service representatives and schedule periodic training to develop their skills, as well as provide rigorous training for our newly recruited insurance consultants.

We have implemented relevant procedures and guidelines to regulate our service representatives' actions with respect to customer services to ensure satisfaction. We have been operating our insurance business primarily through Huize Insurance Brokerage, which had been formulating internal policies, such as the *Customer Service Center Management Measures* (《慧择用户服务中心管理办法》), the *Business Quality Evaluation Management Measures* (《慧择业务品质考核管理办法》) and the *Claim Settlement Assistance Management Measures* (《慧择协助理赔管理办法》).

Our service models include:

- 24/7 customer services**

We insist on applying the “Client first” principle and provide 24/7 services via both a hotline and new media channels to improve service efficiency and customer satisfaction.
- Differentiated customer services**

Identify customer attributes, insurance product attributes, and enquiry attributes via an intelligent system to match with the appropriate corresponding service team, while providing differentiated service strategies to improve customer satisfaction.
- Traceable customer service record**

We are one of the pioneering online insurance brokerage companies to provide traceable service record and record disclosure services, allowing users to check, export or transfer online service records.
- “Three to Do and Three not to Do” service commitment standard**

Set “No cold calls, misrepresentations or delayed service” as well as “Help with product knowledge, recommendations and claim settlements.”
- Closed-loop insurance policy services**

Initiate full life-cycle management for insurance policies, enabling Huize and our insurer partners to follow clients' insurance details and assist with after-sales services.



94.5%

Call capture rate in 10 seconds: 94.5%

9.8s

Online average response time: 9.8 seconds

99.22%

Customer satisfaction: 99.22%

93.25%

First contact resolution rate: 93.25%

99.27%

Online user response rate: 99.27%



Service Improvements During the COVID-19 Pandemic

We value corporate social responsibility and have taken several steps in response to the COVID-19 pandemic.

- ☀ We established an emergency task force to integrate various insurers' contingency channels for our customers and helped them obtain claim pre-payments.

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- ☀ We opened a 24-hour dedicated reporting channel and provided priority response to those infected with the COVID-19 virus.

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- ☀ We opened a green claim assistance service channel and arranged special claim staff to assist customers once we received a pandemic related claim application.

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- ☀ We simplified both claim procedures as well as the required documents for insurance holders infected with the COVID-19 virus.

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- ☀ We offered free withdrawal services for travel insurance customers who had to cancel their travel plan due to the pandemic.

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- ☀ We supported a "no contact" claim service by reducing original documents required for mailing for pandemic-related claim cases in order to reduce infection risk.

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- ☀ We actively publicized pandemic prevention measures through our various online channels to reach millions of our customers.

Claim Settlement Service

We assist insurance customers during the claim settlement process. Huize Insurance Brokerage has formulated *Claim Settlement Assistance Management Measures* (《慧择协助理赔管理办法》) and *Insurance Disputes Handling Measures* (《慧择保险纠纷案件处理办法》) to regulate claim settlement procedures in an effort to improve claim efficiency and overall customer experience while supporting disputes handling and safeguarding Huize and our customers' legitimate rights.

The long-term cooperative relationships we have

established with our insurer partners and our vast experience representing insurance customers' interests have allowed us to settle claims more thoroughly and effectively. After receiving a claim settlement application from an insurance customer, we review all their relevant documents, and assist in offering necessary information required to support their claim. We then submit the claim with the insurer on the customer's behalf, and handle communications with the insurer. We have developed 10 initiatives for our one-stop "Xiao Ma Claim" service.





- 01 One claim application for insurance policies along with one-on-one claim expert's assistance via our WeChat Official Account and Mini Program
- 02 A real-time interactive system allows insurers to check customer claim application records, which improves claim handling efficiency
- 03 Prompt claim settlement and commitment to the service standard of: "No cold calls, misrepresentations or delayed service" as well as "Help with product knowledge, recommendation and claim settlement"
- 04 Quick claim pre-payment with confirmed liability within 3 working days for claim amounts less than RMB2,000
- 05 A set amount of pre-payment from Huize for general claims with confirmed liability, if customers have not received it from the responsible insurer partners within 60 days

- 06 Consulting services on legal matters by an external expert team in pursuit of the best interests of clients
- 07 Clear payment details from Huize or insurers that ensure claim settlement transparency
- 08 Claim results verification based on insurance policy terms as well as claim standards to avoid missed or short payment by insurer partners
- 09 Communications and comments from clients during the entire claim settlement process to help guide our service
- 10 Carry out return visits once the claim settlement is closed in order to verify claim results and to improve service quality

**43** thousand claim settlement cases

RMB **242** million

In 2020, we assisted approximately 43 thousand claim settlement cases, with a total claim amount of RMB242 million.

**130** dispute cases

RMB **12** million

In 2020, we assisted in 130 dispute cases, winning claim settlement of over RMB12 million.

## Responding to Complaints

To respond better to complaints, we established a comprehensive customer complaint management system, which is comprised of receiving, handling, and an improvement mechanism that ensures the timely response and efficient handling of all complaints. In general, complaints will be handled within 1-5 days. During the Year, we received a total of 27 complaints, all of which were properly resolved.

### Receiving system

We offer various channels to receive client complaints in a timely manner, including a 24/7 hotline, a complaint hotline, new media online channels, official website messages, and client WeChat groups. Upon receiving a complaint from a customer, our service representative will express our concerns about the complaint, record the details and pass it over to the responsible department for handling.

### Handling system

The department responsible for handling complaints conducts a full-scale investigation by accessing and studying relevant documents and records. Based on the complaint type, we analyze the reasons for the complaint and identify the person responsible for the complaint. We then reach out to the customer and offer solutions.

### Improvement mechanism

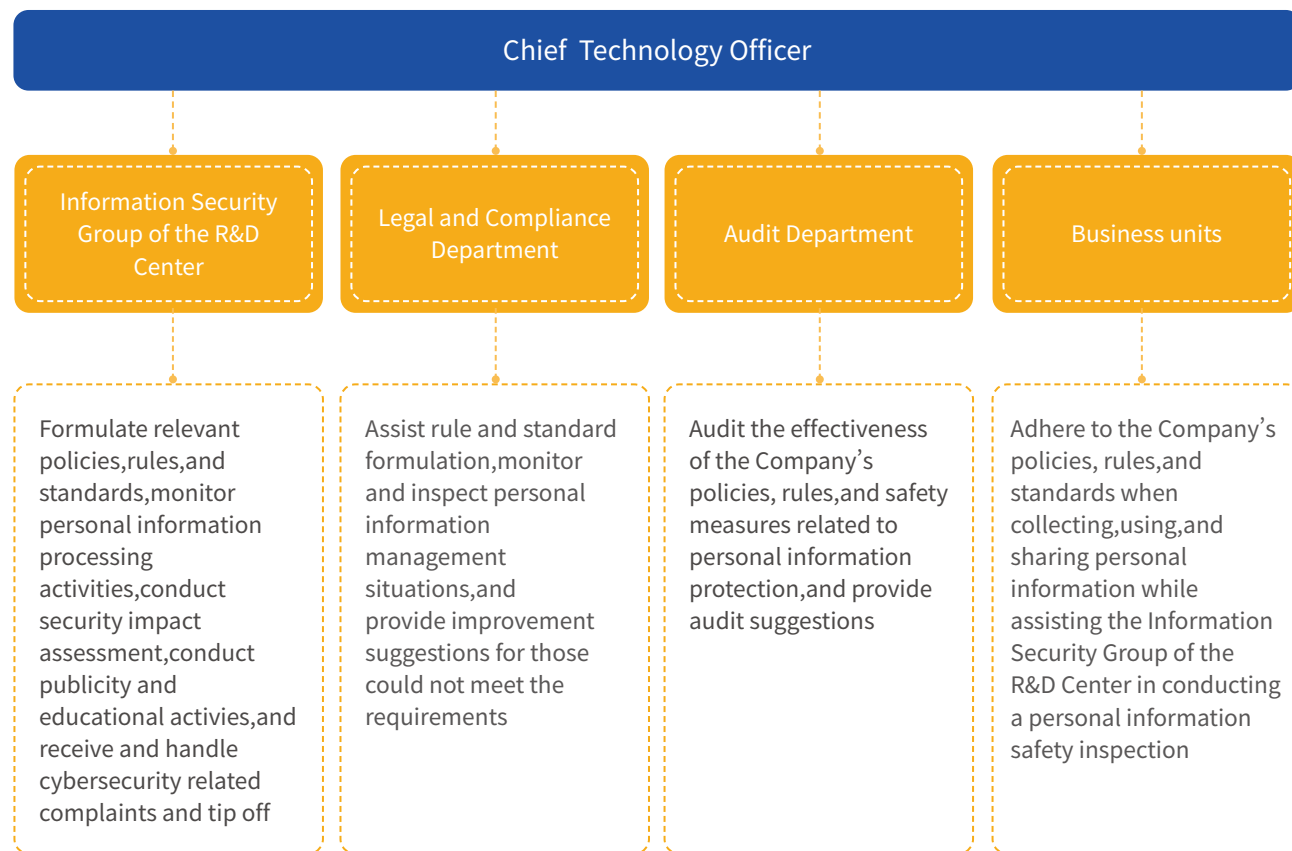
After the complaint case is closed, we conduct return visits to hear customers' suggestions, and conduct a satisfaction survey about our complaint handling. The department responsible for complaint management formulates an improvement plan for product and/or service issues involved to avoid similar future complaints.

# Client Privacy Protection

We always put the interests of customers first and adhere to protect their privacy and data security. In order to protect personal data and safeguard the legitimate use of information, Huize Insurance Brokerage had been formulating the *Personal Information Protection Management Measures* (《慧择个人信息保护管理办法》) and the *Information Classification Standards* (《慧择信息分级规范》) in accordance with the *Cybersecurity Law of the PRC* (《中华人民共和国网络安全法》) and *Measures for the Regulation of the Internet Insurance Business* (《互联网保险业务监管办法》). Huize Insurance Brokerage classifies insurance customer-related transaction information, personal health information and other sensitive personal information as primary trade secrets

and protects such information properly based on the above regulations and policies.

The Company has established an explicit management system and implemented relevant procedures and guidelines to regulate our employees' actions in relation to client data. The chief technology officer is responsible for the overall management of personal information protection, while the Information Security Group of the R&D Center, as well as the Legal and Compliance Department, the Audit Department, and each individual business unit assume different responsibilities.

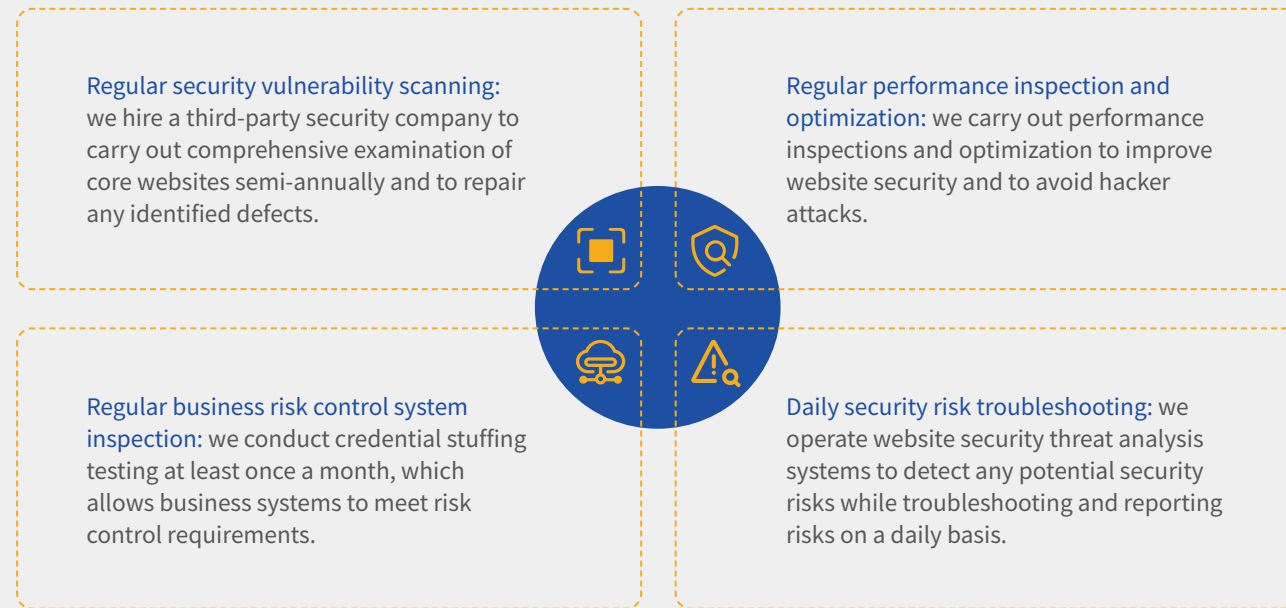


## Regular Security Risk Inspections and Technical Solutions

We employ various technical solutions to detect and prevent risks and vulnerabilities in user privacy and data security, such as encryption, firewalls, vulnerability scanning, and log audits. For example, to avoid the leakage of sensitive information, users are required to complete identification verification when they

are viewing sensitive information. In addition, we periodically audit our systems and procedures to detect information security risks and defects, thereby improving system security and avoiding any client information leakage.





## Information and Cybersecurity

As a digital insurance product and service platform, Huize attaches great importance to information and cybersecurity. Our system was certified as Safety Level III Computer Information System on January 15, 2020. To safeguard information property and protect the Company against cyber-attacks and data leakage, we have established an Informatization Management Committee that is responsible for the overall planning and decision-making related to information and cybersecurity.

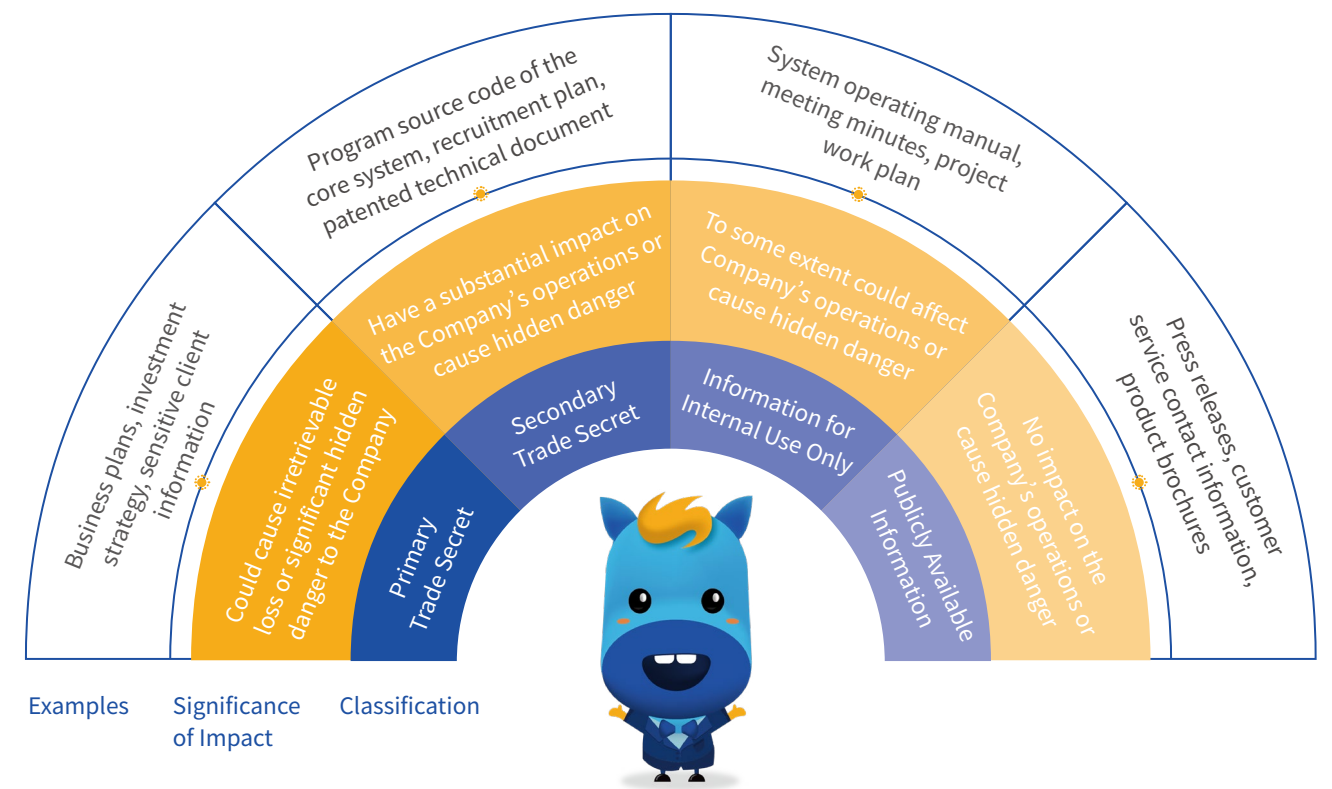
In terms of policy development, Huize and its affiliated Huize Insurance Brokerage have formulated a series of policies covering information and cybersecurity-related issues. These policies comprise of the *Information Security Management System* (《慧择信息安全管理制度》), the *Cybersecurity Management System* (《慧择网络安全管理制度》), the *Rewards and Punishments of Information Security Management Measures* (《慧择信息安全奖惩管理办法》), the *Information Leakage Incident Management Measures* (《慧择信息泄露事件管理办法》) and the *Information Classification Standards* (《慧择信息分级规范》).



## Information Classification

The Company possesses considerable tangible assets and intangible information assets, and it is important to ensure that all of these assets receive proper classification and corresponding protection based on that classification. To this end, we conduct regular assessments to guarantee that the classification of each information asset is up-to-date and appropriate. As the cornerstone of the Company's information security risk assessment, classification enables us to identify protection requirements and priorities for different types of these information assets.

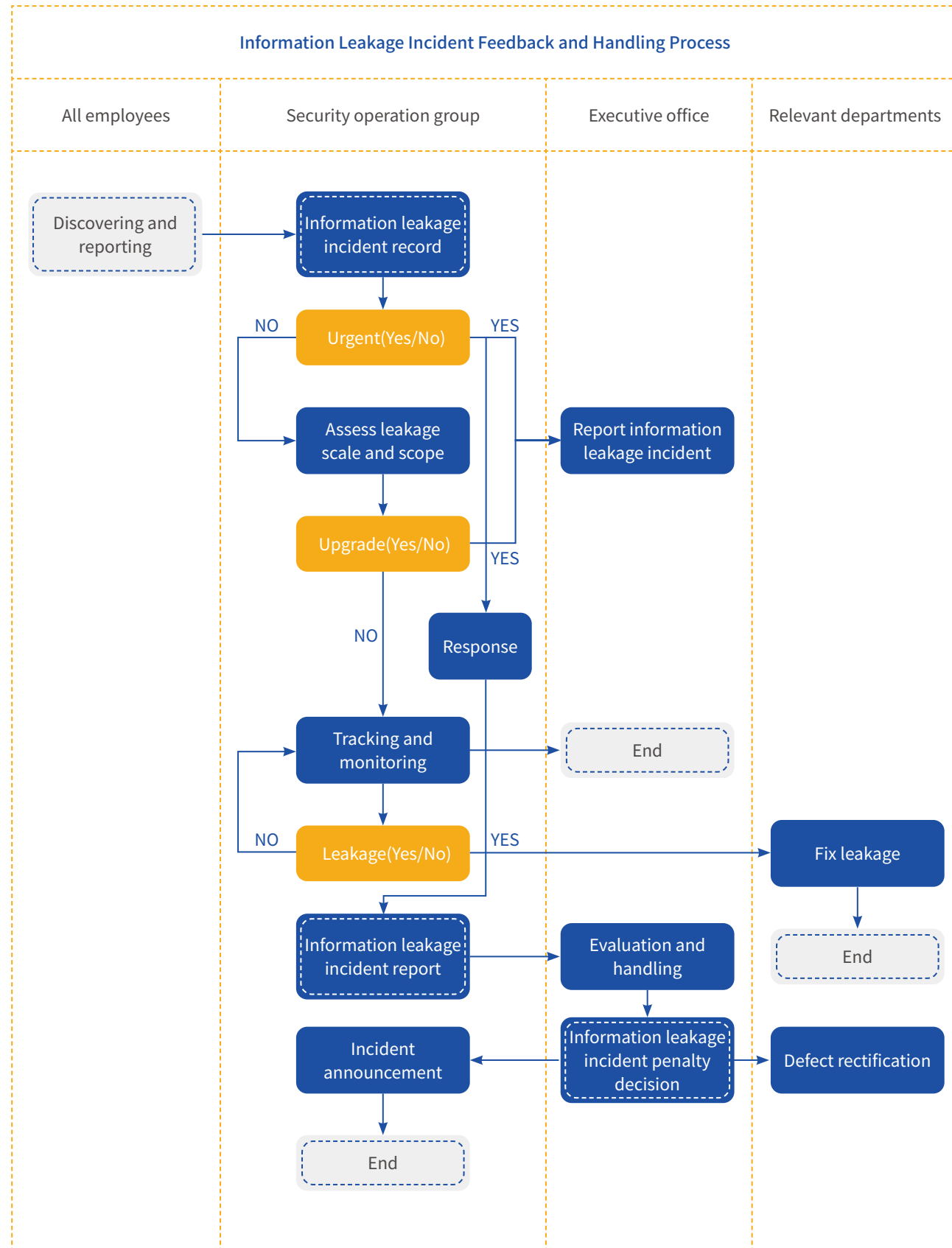
The classification of information assets is based on how it impacts the Company's main business if any of confidentiality, integrity, availability and/or other security attributes were damaged. On this basis, we categorize our information assets into primary trade secrets, secondary trade secrets, information for internal use only, and publicly available information. Each information asset is labeled according to its sensitivity and managed as well as protected accordingly in terms of authorization, storage, access, copying, emailing, disposing, etc.



## Information Leakage Incident Handling

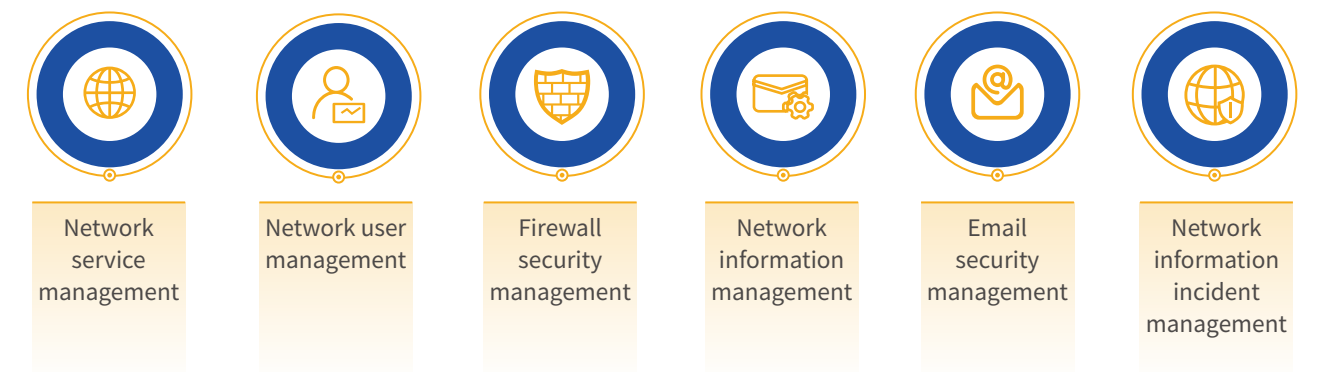
Handling information leakage incidents is an important part of information security. Huize has established a set of standardized incident management processes, including discovering and reporting, assessment and decision-making, response, evaluation and handling, and announcement. The incident handling process involves the Executive Office, security operation

group, and other relevant departments. They assess, respond and handle incidents based on the *Information Leakage Incident Record* (《信息泄露事件记录》), the *Information Leakage Incident Report* (《信息泄露事件报告》) and the *Rewards and Punishments of Information Security Management Measures* (《慧择信息安全奖惩管理办法》).



## Cybersecurity and Training

The R&D Center is responsible for the Company's cybersecurity, including overall planning, management, and routine maintenance. We have improved cybersecurity management to protect the Company against cyber-attack, intrusion, interference, destruction, manipulation, and emergency incident.



We provide information and cybersecurity orientation training to increase our new recruits' safety awareness and technical skills. Year 2020 is a crucial time for the establishment of personal information protection system in China. With the introduction of a number of national laws and regulations, Huize's R&D Center, together with the Legal and Compliance Department,

launched a mini-course and mini-exam on data security for employees. They are required to complete the course and take the exam through the Company's "Enjoy Platform" to enhance their awareness of data security and protection, as well as acquire more relevant knowledge in daily work.



# Caring for Employees and Supporting Talent Development

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03





# Employees' Rights and Interests

## Equal Employment

Huize abides by the *Labor Law of the PRC* (《中华人民共和国劳动法》), the *Labor Contract Law of the PRC* (《中华人民共和国劳动合同法》), and other relevant laws and regulations in labor force regulation aspect. We follow the principles of openness, fairness, impartiality, and selection of the best qualified when recruiting new employees. We do not discriminate on the basis of race, color, religious beliefs, gender, age, disability, family status, or national origin when recruiting for the vacant positions. We have strict employee admission regulations that prohibit the hiring of individuals underage as indicated in the *Recruitment Management System* (《慧择招聘管理制度》).

Huize pays careful attention to all relevant recruitment procedures. We post recruitment requirements in open channels after employment needs are requested by the hiring department and reviewed by the Human Resource Department. After receiving candidates' resumes, Huize reviews them according to the requirements of the hiring department. If necessary, interviews, a background investigation, written tests, evaluation, a presentation, and other procedures will be arranged to ensure that the candidate is qualified for the position and upholds the Company's values. We have also adopted an interviewer management rule, which states that interviewers should be qualified and that the interviews should be conducted with principles of impartiality, respect, professionalism, independence, and confidentiality.

The Company is committed to providing equal opportunity with respect to employment and does not tolerate illegal discrimination or harassment based on race, ethnicity, religion, gender, age, or national origin. etc. Any employee can make a real-name or anonymous report through diversified channels such as email, telephone, or face to face communication with the Human Resource Department in the event of unfair treatment.

At the end of the Year, Huize had a total of 1,314 employees. The charts detail our employee statistics in terms of enterprise headcount and percentage by category.

### Total(Person)

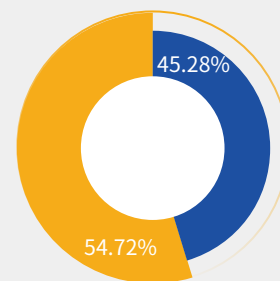
Total number of employees **1,314**



### By Gender(Person)

Male employees **595**

Female employees **719**



■ Male employees ■ Female employees

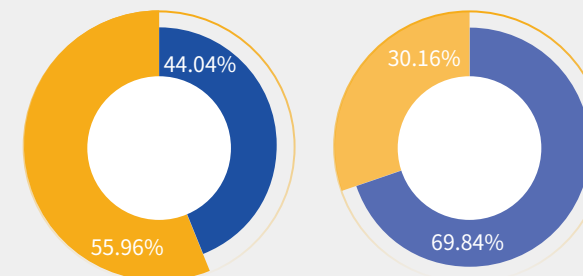
### By Gender and Rank(Person)

Entry- and mid-level positions held by men **551**

Entry- and mid-level positions held by women **700**

Senior- and executive-level positions held by men **44**

Senior- and executive-level positions held by women **19**

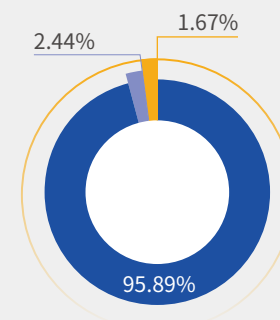


### By Employment Type(Person)

Full-time employees **1,260**

Part-time employees **32**

Contractors (labor dispatching) **22**



## Employee Compensation and Benefits

Human resources are the fundamental driving force for business development. Huize has long been dedicated to providing an effective promotion mechanism, conducting scientific performance evaluations and offering fair and competitive compensation within the industry to attract, motivate and retain talent. To this end, we formulated the *Salary Management Measures* (《慧择薪酬管理办法》), the *Welfare Management Measures* (《慧择福利管理办法》) and the *Employee Handbook* (《慧择员工手册》). We provide compensation according to the position, ability, and performance of employees, as well as consider market conditions, so that the compensation appropriately reflects the position and qualification of the employee and their contribution to the Company. In addition to a basic monthly salary, an employee's compensation package mainly consists of commissions (depending on different work roles), monthly/quarterly performance bonuses, year-end bonuses, and allowance.

Huize has established a performance management system to assess employee performance in achieving work goals and ensuring each level of operation management is consistent with the Company's strategy and business goals. We conduct regular evaluations on work performance and the Company's vision based on the requirements of each department and position. We classify the results by Distinction (S), Excellent (A), Good (B), to be Improved (C), and Unqualified (D) for job performance evaluation, and Highly Satisfied (A), Satisfied (B), and Unsatisfied (C) for evaluation of Company's values. The performance evaluation results are reflected in employees' year-end bonuses, salary adjustments, promotions, share incentive awards, and other incentives.

In terms of employee benefits, Huize signs employment contracts with all employees and pays for their social insurances, namely Endowment Insurance, Medical Insurance, Unemployment Insurance, Employment Injury Insurance, Maternity Insurance and Housing Provident Fund in compliance with the *Social Insurance Law of the PRC* (《中华人民共和国社会保险法》). In addition, we also provide extra benefits to our employees, including meals, afternoon tea, employee dormitories, insurances, paid leave, social activity funds, holiday gifts, condolence payments, remote dispatch subsidy, etc.

We believe in equal pay for work of equal value and are committed to retaining qualified employees in the workplace as we improve the equality of compensation. We disclose the compensation of the Company's directors and executive officers in our annual report. The data below represents the pay ratio between male and female employees of the Year.

**Gender Pay Ratio**

Median male compensation compared to median female compensation (X:1)<sup>1</sup>

**1.07:1**

Also, we attach great importance to employee turnover issues, while continuously tracking the employee turnover rate, summarizing the reasons for employee turnover, and undertaking targeted optimization and improvement measures to reduce employee turnover and retain key talents.

<sup>1</sup>We calculate annual total compensation, including fixed salary, bonus, commissions, allowances, etc.



**Talent Development**

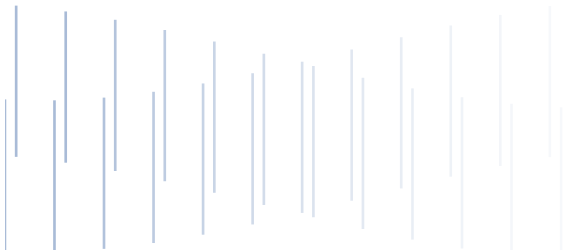
Huize regards talent as an important asset and is dedicated to developing employees' professional skills and leadership skills. For this reason, we have established systematic training programs for employees, providing a variety of talent development plans and resources. To improve the Company's management of employee training and to support the achievement of business targets and annual business plans, we have formulated the *Employee Training Management System* (《慧择员工培训管理制度》) and the *Internal Lecturer Management Measures* (《慧择内部讲师管理办法》), as well as a series of management rules for each business unit, such as the *Training Management Rules of Business Department* (《慧择事业部培训管理细则》) and the *Product Training Rules of Life Insurance Product Center* (《慧择寿险商品中心商品培训管理细则》).

We have developed three main training types: vocational training, professional training, and leadership training for different career development stages. These training methods mainly include position practices, lectures, e-learning, and reading, with position practices comprising mentor coaching, rotation practice, project research, and experience-sharing within each department.

Career Stages	Training Types	Programs	Training Contents
Probation	Vocational Training	"New Journey"	<ul style="list-style-type: none"> <li>Huize cultural values</li> <li>Insurance functions and values</li> <li>Basic rules and procedures</li> <li>Introduction of business units</li> <li>Vocational ability training</li> </ul>
		"Know the Insurance"	<ul style="list-style-type: none"> <li>Professional insurance knowledge</li> </ul>
In-service (Profession)	Professional Training	Special training	<ul style="list-style-type: none"> <li>Professional competence training</li> </ul>
		"New Power"	<ul style="list-style-type: none"> <li>Service improvement training</li> </ul>
		"Huize Encyclopedia"	<ul style="list-style-type: none"> <li>Best practices of key positions</li> </ul>
In-service (Management)	Leadership Training	"New Qingyun"	<ul style="list-style-type: none"> <li>Fundamental management skill improvement</li> </ul>
		"Qingyun Program"	<ul style="list-style-type: none"> <li>Leadership model and management practices</li> </ul>
		"Shanghai Program"	<ul style="list-style-type: none"> <li>Enhancement training of practical management skills</li> </ul>
Position Transfer	Professional Training	"Mr. Huize"	<ul style="list-style-type: none"> <li>Role change and target position competency</li> </ul>



In 2020, our training programs achieved excellent results. According to statistics, Huize provided training to 1,260 full-time employees, completing a total of 39,690 training hours, which represents an average 31.5 training hours per person.



Training-related data statistics

Percentage of full-time employees trained (%)



Completed **11** courses for **530** recruits through the “New Journey” program

Developed **15** quality courses for the “Mr. Huize” and the “New Power” programs

Completed **14** business-driven practical training projects and concluded **23** best practices from the projects for the “Qingyun Program” and the “Shanghai Program”

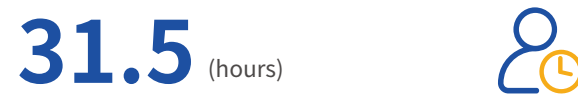
Total number of full-time employees trained (person)



Total training time for all full-time employees (hours)



Average training time completed per full-time employee (hours)



Qingyun Program

The Qingyun Program aims to improve leadership and management abilities through training and practical projects. In 2020, trainees completed 5 courses covering 16 core competencies, totalling 100 hours of learning per person. Regarding practical projects, a total of 10 technical control performance improvement projects were completed with a 70% completion rate.

According to superiors' and subordinates' feedbacks, the management ability of 75%-79% of trainees has improved through targeted training programs in terms of task progress, employee coaching, performance improvement, and team management.



Shanghai Program

The Shanghai Program adopted internal and external differentiation training methods. For internal training, we organized 4 internal lectures for senior executives. For external training, we completed 2 courses, 1 workshop, 1 practical project, and 1 reporting activity. The performance improvement projects were also completed with a rate of 94%.

As a result, trainees were able to apply business methodologies into their routine business practices when thinking about and solving problems. We have also achieved our anticipated goal for raising trainees' business management awareness through practical project training.



“Mr. Huize” Program

The "Mr. Huize" Program was launched around themes, such as the gaps in the improvement of annual business performance, the challenges of annual core business operations, and capacity building for key positions. This program has helped business units to gain experience through practice, contributed to the development of 10 high quality courses, and which has accelerated the improvement of employees' professional capabilities.





# Employees' Health and Safety

Huize is fully committed to providing a safe and healthy workplace for its employees through comprehensive workplace management, emergency management, and welfare management systems. To this end, we formulated *Workplace and Living Area Management Measures* (《慧择办公职场及生活区域管理办法》), *Emergency Management Measures* (《慧择突发事件管理办法》) and *Welfare Management Measures* (《慧择福利管理办法》).

The Administration Department is responsible for the Company's safety oversight, including arranging security

personnel to conduct 24-hour safety inspections, allocating and maintaining fire extinguishers, managing daily monitoring, and conducting safety education and drills. Employees are required to maintain a safe and healthy work environment for other employees by following environmental, safety, and health rules and practices as well as reporting accidents, injuries and unsafe equipment plus dangerous practices or work conditions. There were no work-related injuries or fatalities during the Year.

## Emergency Management

We have identified the following as workplace-related emergencies: fire accidents, traffic accidents, natural disasters, personal safety accidents, infectious diseases, and poisoning incidents. To enhance our ability to take proper actions to respond to emergencies while preventing and reducing the damage caused by emergencies, we have established an emergency monitoring and contingency plan.

For daily monitoring, the Administration Department follows and collects real-time information related to an accident, natural disaster, or public health incident through the Internet, new media, television, and communication with employees and customers. Each department establishes and regularly updates the emergency address book, assigns designated employees to deal with emergencies, and requires them to maintain 24-hour communications when emergencies occur.

When discover emergencies, employees shall respond and report emergencies according to the Company's contingency plan. The contingency plan has clearly indicated emergency response and reporting procedures under different situations to safeguard the Company's property and employees' lives and welfare.

The Company provides a number of benefits to care for employees' physical and psychological health.

### Risk protection

Huize provides various insurance plans for our employees that cover employer liability, accident, and critical illness while also offering concessionary terms to employees and their relatives who wish to purchase insurance.

### Medical check-ups

Huize provides comprehensive medical check-ups for employees annually.

### Lactation rooms

To support new mothers in our employees, Huize provides private lactation rooms.

## Employee Club Activities

To enrich employees' spare time and facilitate cross-departmental communications, Huize has established various clubs for recreational activities as well as organizing annual events. Currently, we have a basketball club and badminton club with weekly activities arranged for club members. Members of these clubs could claim a reimbursement for the activities after submitting the invoice and other required materials. Moreover, we also have a movie club that organizes a free monthly movie watching activity.

On October 17, 2020, our Hefei office held an annual basketball game to enhance employees' physical fitness and motivation while also helping to nurture a more cohesive team spirit. With support from all employees and their families, the game was a great success and the Company awarded one championship team and selected an MVP at the end.





# Promoting Green Office and Low-Carbon Operation

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Green Development Practices 55

04





# Green Development Practices

Huize complies with relevant national and local environmental laws and regulations. As a digital insurance product and service platform, we operate our business in office settings and aim to create as limited impact on the environment as possible. The environmental impact from our operations is mainly driven by electricity and water consumption in our Shenzhen, Hefei, and Chengdu offices, where we support large workplaces. We also emit greenhouse gas (GhG) associated with business travel by plane. We insist on scientific management regarding the use of electricity, water, and other resources, and maintain careful statistical records on the consumption of all

resources. In the future, we will continue to improve our environmental data collection system, in order to better understand our impact on the environment. We will also proactively carry out environmental protection activities in line with our corporate responsibilities.

In 2020, the total electricity consumption of our main offices in Shenzhen, Hefei, and Chengdu<sup>2</sup> was 956,206 kWh. The total water consumption of these three offices was 11,412 m<sup>3</sup>, and the total GhG emissions from electricity consumption and business travel by plane were 828.87 tCO<sub>2</sub>.

## GhG emissions and intensity<sup>3</sup>

Total GhG emissions (Scope 2) - electricity consumption<sup>4</sup>

**583.38** tCO<sub>2</sub> 


Total GhG emissions (Scope 3) - business travel by plane<sup>5</sup>

**245.49** tCO<sub>2</sub> 


Total GhG emissions (Scope 2 & 3)

**828.87** tCO<sub>2</sub> 

GhG emissions per floor space (Scope 2 & 3)<sup>6</sup>

**0.05** tCO<sub>2</sub>/m<sup>2</sup> 

GhG emissions per employee (Scope 2 & 3)<sup>7</sup>


**0.66** tCO<sub>2</sub>/person 

## Energy consumption and intensity

Total electricity consumption

**956,206** kWh 

Total electricity consumption per floor space

**59.31** kWh/m<sup>2</sup> 

Total electricity consumption per employee

**757.69** kWh/person 

## Water usage

Total amount of water consumed

**11,412** m<sup>3</sup> 

<sup>2</sup> In 2020, the Company's environmental key performance indicators covered offices in Shenzhen, Hefei, and Chengdu only where we have our major workplaces and employees (96% of total employees). Other offices in Guangzhou, Shanghai, Beijing, and Hong Kong were either just established during the Year that did not have actual operations or had too few employees to be included in the 2020 statistics.

<sup>3</sup> Scope 1 GhG emissions were not collected in 2020, as we did not have Company-owned or controlled sources associated with fuel combustion in boilers and furnaces, etc.

<sup>4</sup> Scope 2 included GhG emissions from purchased electricity. The emissions factor adopted the value of 0.6101 kgCO<sub>2</sub>/kWh based on the *Note on Carrying Out Carbon Emission Reporting and Verification and Formulating Emission Monitoring Plan in 2018* issued by the Ministry of Ecology and Environment of the PRC.

<sup>5</sup> Scope 3 included GhG emissions from planes of the entire Company's business travel record. The data were calculated referring to the GHG Emissions from Transport or Mobile Sources of the Greenhouse Gas Protocol issued by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD) in 2015.

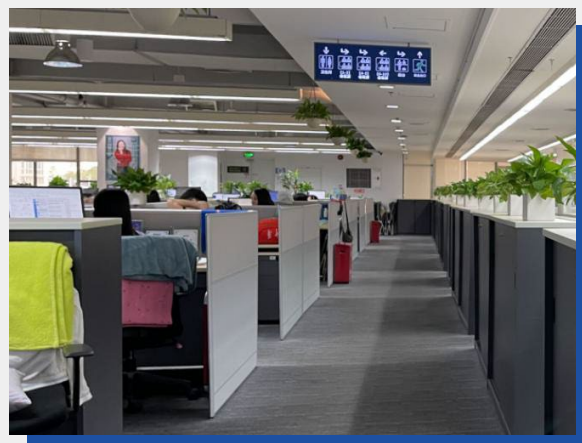
<sup>6</sup> The floor space of the Shenzhen, Hefei, and Chengdu offices totalled 16,123 m<sup>2</sup> in 2020.

<sup>7</sup> The total number of employees at the Shenzhen, Hefei, and Chengdu offices was 1,262 in 2020.



## Green Office and Travel

To promote the concept of nurturing a green office and encouraging low-carbon travel, Huize has actively created a greener environment in the office by adopting a series of measures for resource-saving and management. To this end, we promote paperless offices, waste sorting, electricity and water saving, and green commuting.



## Green Data Center

We are committed to building a leading, private cloud-based internet technology work environment to ensure data security while avoiding high energy consumption caused by traditional servers with excessive data centers. Presently, Huize has realized the cloud ideal across company-wide business and tracks resource utilization of physical servers in a cloud environment in real-time through a dedicated monitoring center, resulting in no

idle resources in the servers, which significantly reduces energy consumption.

In addition, we have also established a novel green supply chain partner mechanism, using stable and efficient third-party cloud data centers such as Alibaba Cloud and Huawei Cloud for supply chain management to further reduce carbon emissions along with the supply chain and to build an intelligent economy and green ecology.



## Environmental and Intelligent One-Stop Insurance Transaction Process

We make the most of technology in our business operations and have gradually built a green and low-carbon business model to promote business development and reduce carbon emissions. We are the first online insurance brokerage company within the industry to launch AI technology-driven functions in China, including AI Proposal applications, and intelligent quality inspections while also developing an intelligent one-stop insurance transaction process. The application of AI technologies helps promote online paperless

insurance policy plans to replace traditional paper documents.

This green and efficient operation mode greatly prevents paper waste, reduces business travel and mailing while also assisting in energy conservation, emission reduction, and the realization of a low carbon society. In 2020, we sold 4.92 million online insurance policies, which greatly saved paper use and contributed to environmental protection indirectly.



# Shouldering Social Responsibility

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Huize “Aizhi Public Welfare” Program 61

05





## Huize “Aizhi Public Welfare” Program

Adhering to the corporate value of "being kind to others", Huize proactively assumes corporate social responsibilities and focuses on the development of rural education, aiming to provide children in remote areas with abundant reading resources. Since 2014, we have been carrying out the "Aizhi Public Welfare" program. We start by collecting a list of schools in need of assistance and evaluating their actual situations, including the demand for books through various channels. Based on our findings, we formulate a plan to donate books, clothing, and other supplies to children in these remote areas to equip them with knowledge and broaden their vision through reading. Our ultimate aim is to help children and families who are passionate about reading and knowledge.

We donated tens of thousands of books to several schools in the mountain areas in Guangdong, Anhui, and Guizhou Provinces between 2014 and 2020, introducing the joy of reading to nearly 10 thousand children in remote areas. Based on available statistics since 2017, we have donated a total of RMB171 thousand worth of goods as part of the "Aizhi Public Welfare" program.

In 2020, we held the 6<sup>th</sup> Huize “Aizhi Public Welfare” program at Jiaode Primary School in Dujiang Town, Guizhou Province, to interact with children and explore the wider world together through reading.

We learned that although Jiaode Primary School had a reading room, there were just over 300 old books, most of which were not suitable for primary school students. Based on the actual circumstances at Jiaode Primary School, we formulated a detailed donation plan to provide books, painting tools, spare clothes, and other items to the school. In addition, we purchased notebooks, story players, and other school things, which have enabled children to enjoy reading and painting.

In order for students at Jiaode Primary School to truly feel the care and love we had towards them, our employees recorded 88 fairy tales in story players and wrote more than 600 greeting cards, expressing our blessings and care to students through voice and letters.

In addition to donating supplies to the school, we also visited the families of eight impoverished students while handing out daily necessities like edible oil and rice to the families and bringing winter cotton clothing and writing pads for students. Through this "Aizhi Public Welfare" program, Huize donated a total of 3,000 books, and these together with other materials we provided were worth nearly RMB70 thousand.





## Appendix 1: Summary of ESG Data

Environmental		
	Data	Unit
<b>GhG emissions</b>		
Total GhG emissions (Scope 1)	/	tCO <sub>2</sub>
Total GhG emissions (Scope 2)	583.38	tCO <sub>2</sub>
Total GhG emissions (Scope 3)	245.49	tCO <sub>2</sub>
Total GhG emissions (Scope 2 & 3)	828.87	tCO <sub>2</sub>
<b>GhG emissions intensity</b>		
GhG emissions per floor space (Scope 2 & 3)	0.05	tCO <sub>2</sub> /m <sup>2</sup>
GhG emissions per employee (Scope 2 & 3)	0.66	tCO <sub>2</sub> /person
<b>Energy usage</b>		
Total amount of energy (electricity) indirectly consumed	956,206	kWh
<b>Energy intensity</b>		
Total indirect energy (electricity) usage per floor space	59.31	kWh/m <sup>2</sup>
Total indirect energy (electricity) usage per employee	757.69	kWh/person
<b>Energy mix</b>		
Percentage of energy usage by generation type <sup>8</sup>	/	%
<b>Water usage</b>		
Total amount of water consumed	11,412	m <sup>3</sup>

<sup>8</sup> In 2020, we only consumed electricity that was purchased from the China Southern Power Grid and State Grid, thus the generation type of the electricity is depending on each grid's energy structure.

Social		
	Data	Unit
<b>Gender pay ratio</b>		
Median male compensation compared to median female compensation	1.07:1	X:1
<b>Gender diversity</b>		
Percentage of total enterprise headcount held by men	45.28	%
Percentage of total enterprise headcount held by women	54.72	%
Percentage of entry- and mid-level positions held by men	44.04	%
Percentage of entry- and mid-level positions held by women	55.96	%
Percentage of senior- and executive-level positions held by men	69.84	%
Percentage of senior- and executive-level positions held by women	30.16	%
<b>Temporary worker ratio</b>		
Percentage of total enterprise headcount held by full-time employees	95.89	%
Percentage of total enterprise headcount held by part-time employees	2.44	%
Percentage of total enterprise headcount held by contractors (labor dispatching)	1.67	%
<b>Injury rate</b>		
Frequency of injury events relative to the total workforce time	0	%

Governance		
	Data	Unit
<b>Board diversity</b>		
Percentage of total board seats occupied by women	20	%
Percentage of committee chairs occupied by women	0	%
<b>Board independence</b>		
Percentage of total board seats occupied by independents	60	%

# Appendix 2: Index of Nasdaq's ESG Reporting Guide 2.0

Nasdaq ESG Indicators	Description of Indicators	Reporting Sections
<b>Environmental</b>		
E1. GHG Emissions	E1.1 Total amount, in CO2 equivalents, for Scope 1 (if applicable)	Green Development Practices
	E1.2 Total amount, in CO2 equivalents, for Scope 2 (if applicable)	
	E1.3 Total amount, in CO2 equivalents, for Scope 3 (if applicable)	
E2. Emissions Intensity	E2.1 Total GhG emissions per output scaling factor	Green Development Practices
	E2.2 Total non-GhG emissions per output scaling factor	/
E3. Energy Usage	E3.1 Total amount of energy directly consumed	/
	E3.2 Total amount of energy indirectly consumed	Green Development Practices
E4. Energy Intensity	E4.1 Total direct energy usage per output scaling factor	/
E5. Energy Mix	E5.1 Percentage: Energy usage by generation type	Appendix 1: Summary of ESG Data
E6. Water Usage	E6.1 Total amount of water consumed	Green Development Practices
	E6.2 Total amount of water reclaimed	/
E7. Environmental Operations	E7.1 Does your company follow a formal Environmental Policy? Yes/No	No
	E7.2 Does your company follow specific waste, water, energy, and/or recycling polices? Yes/No	
	E7.3 Does your company use a recognized energy management system? Yes/No	
E8. Climate Oversight / Board	E8.1 Does your Board of Directors oversee and/or manage climate-related risks? Yes/No	No
E9. Climate Oversight / Management	E9.1 Does your Senior Management Team oversee and/or manage climate-related risks? Yes/No	No
E10. Climate Oversight / Management	E10.1 Total amount invested, annually, in climate-related infrastructure, resilience, and product development.	/

<b>Social</b>		
S1. CEO Pay Ratio	S1.1 Ratio: CEO total compensation to median FTE total compensation	/
S2. Gender Pay Ratio	S2.1 Ratio: Median male compensation to median female compensation	Employees' Rights and Interests
S3. Employee Turnover	S3.1 Percentage: Year-over-year change for full-time employees	/
	S3.2 Percentage: Year-over-year change for part-time employees	
	S3.3 Percentage: Year-over-year change for contractors and/or consultants	
S4. Gender Diversity	S4.1 Percentage: Total enterprise headcount held by men and women	Employees' Rights and Interests
	S4.2 Percentage: Entry- and mid-level positions held by men and women	
	S4.3 Percentage: Senior- and executive-level positions held by men and women	
S5. Temporary Worker Ratio	S5.1 Percentage: Total enterprise headcount held by part-time employees	Employees' Rights and Interests
	S5.2 Percentage: Total enterprise headcount held by contractors and/or consultants	
S6. Non-Discrimination	S6.1 Does your company follow a sexual harassment and/or non-discrimination policy? Yes/No	Employees' Rights and Interests
S7. Injury Rate	S7.1 Percentage: Frequency of injury events relative to total workforce time	Employees' Health and Safety
S8. Global Health & Safety	S8.1 Does your company follow an occupational health and/or global health & safety policy? Yes/No	Employees' Health and Safety
S9. Child & Forced Labor	S9.1 Does your company follow a child and/or forced labor policy? Yes/No	Employees' Rights and Interests
	S9.2 If yes, does your child and/or forced labor policy also cover suppliers and vendors? Yes/No	No
S10. Human Rights	S10.1 Does your company follow a human rights policy? Yes/No	No
	S10.2 If yes, does your human rights policy also cover suppliers and vendors? Yes/No	



Governance		
G1. Board Diversity	G1.1 Percentage: Total board seats occupied by women (as compared to men)	Appendix 1: Summary of ESG Data
	G1.2 Percentage: Committee chairs occupied by women (as compared to men)	
G2. Board Independence	G2.1 Does company prohibit CEO from serving as board chair? Yes/No	No
	G2.2 Percentage: Total board seats occupied by independents	Board Composition and Governance
G3. Incentivized Pay	G3.1 Are executives formally incentivized to perform on sustainability? Yes/No	No
G4. Collective Bargaining	G4.1 Percentage: Total enterprise headcount covered by collective bargaining agreement(s)	/
G5. Supplier Code of Conduct	G5.1 Are your vendors or suppliers required to follow a Code of Conduct? Yes/ No	No
	G5.2 If yes, what percentage of your suppliers have formally certified their compliance with the code?	
G6. Ethics & Anti-Corruption	G6.1 Does your company follow an Ethics and/or Anti-Corruption policy? Yes/No	Business Ethics and Anti-Corruption
	G6.2 If yes, what percentage of your workforce has formally certified its compliance with the policy?	
G7. Data Privacy	G7.1 Does your company follow a Data Privacy policy? Yes/No	Client Privacy Protection
	G7.2 Has your company taken steps to comply with GDPR rules? Yes/No	No
G8. ESG Reporting	G8.1 Does your company publish a sustainability report? Yes/No	This report is Huize's first ESG report
	G8.2 Is sustainability data included in your regulatory filings? Yes/No	No
G9. Disclosure Practices	G9.1 Does your company provide sustainability data to sustainability reporting frameworks? Yes/No	This report is prepared in compliance with the <i>Nasdaq's ESG Reporting Guide 2.0</i>
	G9.2 Does your company focus on specific UN Sustainable Development Goals (SDGs)? Yes/No	No
	G9.3 Does your company set targets and report progress on the UN SDGs? Yes/No	
G10. External Assurance	G10.1 Are your sustainability disclosures assured or validated by a third party? Yes/No	No