

2021

Social Responsibility Report

2021年度
社会责任报告

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ABOUT THIS REPORT

Introduction

This Report presents the activities and performance of CITIC Securities Co., Ltd. (hereinafter referred to as “the Company”, “CITIC Securities”, or “We”) in its economic, social and environmental responsibility in 2021.

Reporting Scope

Unless otherwise stated, this Report covers the performance of CITIC Securities, CITIC Securities (Shandong) Limited (“CITIC Securities (Shandong)”), CITIC Securities International Co., Ltd. (“CITIC Securities International”), Goldstone Investment Co., Ltd. (“Goldstone Investment”), CITIC Securities Investment Co., Ltd (“CITIC Securities Investment”), CITIC Futures Co., Ltd. (“CITIC Futures”), China Asset Management Co., Ltd. (“China AMC”) and CITIC Securities South China Company Limited (“CITIC Securities South China”)

This Report covers the period from 1 January 2021 to 31 December 2021, and part of the contents of the Report might cover an extended period for better presentation.

Reporting Guidelines

This Report is prepared in accordance with the Self-discipline Regulatory Guidelines for Listed Companies on the Shanghai Stock Exchange No. 1 - Standardized Operation (hereinafter referred to as “Self-discipline Regulatory Guidelines No. 1”) issued by the Shanghai Stock Exchange (hereinafter referred to as “SSE”) and the Environmental, Social and Governance Reporting Guide (hereinafter referred to as “ESG Reporting Guide”), issued by the Hong Kong Stock Exchange and Clearing Limited (hereinafter referred to as “HKEx”).

Reporting Principles

The Report has been prepared in accordance with the principles of "materiality", "quantitative", "balance" and "consistency".

Materiality: We follow the ESG Reporting Guide to conduct materiality assessment with process including: (i) identifying relevant material issues; (ii) assessing materiality of issues; (iii) the Board of Directors reviews and confirms the assessment process and result. We report ESG matters based on the result of materiality assessment. For details of the materiality assessment, please refer to the section " Materiality Assessment " below.

Quantitative: This Report follows the ESG Reporting Guide, refers to applicable quantitative standards and practices and adopts quantitative methods to measure and disclose applicable key performance indicators, and sets environmental targets including actual figures and directional statements. The metrology standards, methods and assumptions or calculation tools and the sources of conversion factors used of the key performance indicators in this report have been described in the corresponding positions (if applicable), and the relevant environmental targets are disclosed in the section "Acting Environment-friendly".

Balance: This Report discloses both positive and negative information objectively to ensure an unbiased picture of the Company's ESG performance during the reporting period.

Consistency: This year, the preparation of ESG report is consistent with usual. Changes if any that may affect meaningful comparison with previous reports, have been explained in the corresponding position.

Data

All data in this Report are from CITIC Securities relevant statistical reports and other official documents. PricewaterhouseCoopers Zhong Tian LLP has been engaged by the Company to conduct a limited assurance on the key environmental data in “Appendix (I), Section1 Key Environmental Performance Indicators” of this Report in accordance with the International Standard on Assurance Engagements -Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE) 3000 (Revised).

The currency involved in this Report is presented in Renminbi ("RMB").

Reporting Release

This Report is available in the format of PDF on:
The website of SSE: <http://www.sse.com.cn>
The website of HKEx: <http://www.hkexnews.hk>
The website of the Company: <http://www.citics.com>

STATEMENT OF THE BOARD OF DIRECTORS



The Board of Directors of CITIC Securities guides and supervises the ESG-related implementation of the management by regularly reviewing and discussing ESG matters, in complete oversight of the implementation of ESG policies and plans. The Board of Directors supervises the Company's environmental, social and governance matters with the assistance of its subordinate Development Strategy and ESG Committee. The ESG Leadership Group, established by the Company management, is responsible for the Company's overall ESG strategy formulation, identification, and evaluation of ESG risks, review of ESG management policies, review of ESG plans and targets, and coordinating the implementation of various functional departments and it's subordinate ESG management team.

Based on the external environmental analysis and the Company's development strategy, CITIC Securities regularly conducts materiality assessment of ESG issues combined with the concerns of internal and external stakeholders, on the basis of which we analyse the Company's risks and opportunities in environmental, social and governance, and formulate ESG working strategies and goals.

Sustainable Finance: CITIC Securities continues to promote sustainable financial practices, integrates the ESG risk system into the Company's comprehensive risk management system, conducts in-depth ESG research, and builds an ESG scoring system for CITIC Securities. We actively take the initiatives to make responsible investment, promoting the harmonization of economic, social and environmental benefits.

Climate Change Response: CITIC Securities actively responds to climate change, conducts a comprehensive carbon emission inventory to see the current situation of the Company's carbon emissions, for continuously reducing the carbon footprint generated by its own operations. With the goal of serving the green economy, we continue to promote the issuance of green bonds and other businesses, guide the green transformation of the industry, and help the national strategy of emission peak and carbon neutrality.

Serving Real Economy: CITIC Securities is committed to providing higher quality and more efficient financial services for the development of the real economy. We serve enterprises in China to "go global" and overseas to "walk in". We guide the allocation of social capital to the key direction of national economic transformation and promote the transformation of traditional industries to be high-end, intelligent, and green, for promoting balanced and sustainable social development.

Promoting Rural Revitalization: CITIC Securities actively responds to the strategy of rural revitalization, combined business of the Company with local needs, focuses on financial assistance, education assistance and industrial assistance, forming practice paradigm of rural revitalization with CITIC Securities characteristics, continuously cultivating new endogenous development momentum for the assistant region.

CITIC Securities Company Limited 2021 Social Responsibility Report also discloses the progress of CITIC Securities' management and practice in the above work and major ESG issues in detail, which are reviewed and approved by the Board of Directors on March 28, 2022.

1 ABOUT THE COMPANY



(I) Company Profile

CITIC Securities was incorporated on 25 October 1995. Listed on Shanghai Stock Exchange in 2003 and on the Hong Kong Stock Exchange in 2011, the Company is China's first securities company to be listed in mainland China and Hong Kong. CITIC Group holds 15.47% of its capital share as the largest shareholder.

CITIC Securities offers a wide range of financial services and products including securities, funds, futures, direct investments, equity funds, commodities. Operated with full licenses, the Company offers all-round support for development of the real economy and plays professional advantages, providing a variety of financial services to over 75 thousand enterprise clients and 10 million individuals. CITIC Securities has 7 principal tier-1 subsidiaries, and branch offices in over 13 countries. China AMC, CITIC Futures, Gold Stone Investment and other principal subsidiaries keep maintaining leading positions in their own sectors.

CITIC Securities has maintained top of the industry on revenue and net profits in the market for more than ten years. The Company has a prominent scale advantage in net capital, net assets and total assets as well as remarkable profitability. With a leading position in the market, the Company has gained reputation and established its brand in domestic market. Over the years, the Company has won awards granted by Asiamoney, Financial Times, Forbes, SSE, SZSE and other domestic and overseas institutions.

CITIC Securities' vision is to become a leading domestic and internationally renowned Chinese investment bank, trusted by clients around the world. The company will practice the China's strategy, serve the real economy and create greater values.

(II) Main Operations



CITIC Securities' business covers 13 countries and is a Chinese investment bank with the largest number of local branches in countries and regions along the "Belt and Road".

The business scope of the Company includes: securities brokerage (for areas other than Shandong Province, Henan Province, Tiantai and Cangnan Counties of Zhejiang Province), securities investment consulting, financial advisory services related to securities trading and securities investment activities, securities underwriting and sponsorship, securities proprietary business, securities asset management, margin financing and securities lending, securities investment fund sales agency, provision of intermediate referral services to futures companies, distribution of financial products, and stock options market making business.

(III) Honors

The Company

Issued by	Name of Awards
SSE	Excellent Options Market Maker, Top 10 Options Brokers, Excellent Funds Market Maker
SZSE	Excellent Stock Options Market Maker, Excellent Stock Options Brokers, Excellent ETF Liquidity Service Provider
Dalian Commodity Exchange	Award for Best Contribution by Options Market Makers, Award for Outstanding Contribution by Futures Market Makers
Zhengzhou Commodity Exchange	Excellent Options Market Maker
Shanghai Futures Exchange	Diamond Award for Market Making Business
Shanghai Bill Exchange Co., Ltd	Excellent Market Organization in 2021, Excellent Dealer, Excellent Settlement Institution
China Central Depository & Clearing Co., Ltd. (CCDC)	2021 Annual Evaluation of the Business Development Quality of CCDC Members Annual Bond Market Leader, Annual Development Contribution Institution, Outstanding Underwriter Award in Bond, Outstanding Municipal Bond Underwriter, Top 100 Companies in Self-clearing, Outstanding Contribution Institution for Collateral Business, Outstanding Institution in Valuation Business
National Interbank Funding Centre	Annual Market Influence Award in the Interbank Local Currency Market, Market Innovation Award
Chinese Financial Workers' Union	May Day's Labor Award in China's Financial Sector, Sichuan Branch of CITIC Securities (中信証券四川分公司)
China Association for Public Companies (中國上市公司協會)	Best Practice Cases of 2020 Annual Report Performance Briefing of Public Companies
China Development Bank	Outstanding Underwriter in the Interbank Market, Excellent Market Maker in the Interbank Market, Market Expansion Award
The Export-Import Bank of China	Core Underwriter of Domestic RMB Financial Bonds in 2021, Excellent Market Maker, Green Development Concept Promotion Award, Opening-up Promotion Award
Bond Connect Company Limited	Excellent Market Maker of Bond Connect, Outstanding Investor of Bond Connect (Investment Banking)
Asia Risk	Best Domestic House of the Year
New Fortune	The 14th New Fortune Best Investment Bank No. 1 Best Local Investment Bank, No. 1 Best Investment Bank in Equity Underwriting, No. 1 Best Investment Bank in Debt Underwriting, No. 1 Best Refinancing Investment Bank, No. 1 Best Investment Bank in Mergers and Acquisitions, No. 2 Best IPO Investment Bank, No. 2 Best Investment Bank in Serving Overseas Markets, No. 2 Best Innovative Investment Bank No. 1 Best Investment Bank in Medicinal Biological Industry, No. 1 Best Investment Bank in Chemical Industry, No. 2 Best Investment Bank in New Energy and Power Equipment Industry, No. 4 Best Investment Bank in Technology Industry, No. 4 Best Investment Bank in Mechanical Intelligent Manufacturing Industry Best IPO Project: Beijing-Shanghai High-speed Railway, CanSino (康希諾) Best Refinancing Project: A+H Shares Rights Issue of China Merchants Securities Best STAR Market Project: Roborock (石頭科技), Supcon Technology (中控技術) Best ChiNext Project: Imeik (愛美客), Issuance of A shares to specific objects by Eve Energy on ChiNext Board

The Company

Issued by	Name of Awards
New Fortune	Best Overseas Project: JD.com’ s Hong Kong secondary listing, China Yangtze Power GDR, Nongfu Spring’ s Hong Kong listing, Privatization of Huaneng Renewables Corporation Best Creative Project: Material assets restructuring of CSSC Best Corporate Bond Project: Registered corporate bonds of Shenzhen Metro Group Co., Ltd., public issuance of corporate bonds by China Coal Energy Company Limited in 2020 (to professional investors) (Tranche I) Best Convertible Bond Project: Public issuance of corporate bonds by Hunan Valin Steel Co., Ltd. (華菱轉 2) Best Asset-backed Securitization (ABS) Project: Feichi Jianrong (飛馳建融) Credit Asset-backed Securities Tranche II in 2020, Jianyuan (建元) Personal Residential Mortgage Loan Asset-backed Securities Tranche XV in 2020, Dongfang Yuxiao (東方欲曉) No. 1 Asset-backed Special Plan, Topsperity and Haitong-FOLIDAY-Atlantis Sanya (德邦海通 — 復星旅文 — 三亞亞特蘭蒂斯) Asset-backed Special Plan Best New OTC Market Project: Guandian Defense (觀典防務)
	The 15th New Fortune Best Investment Bank No. 1 Best Local Investment Bank, No. 1 Best Investment Bank in Equity Underwriting, No. 1 Best IPO Investment Bank, No. 1 Best Refinancing Investment Bank, No. 1 Best Investment Bank in Mergers and Acquisitions, No. 2 Best Investment Bank in Debt Underwriting, No. 2 Best Investment Bank in Serving Overseas Markets, Best Innovative Investment Bank, Best Practice ESG Investment Bank No. 1 Best Investment Bank in Big Health Industry, No. 1 Best Investment Bank in New Energy Industry, No. 1 Best Investment Bank in Energy and Materials Industry, No. 2 Best Investment Bank in Mass Consumption Industry, No. 2 Best Investment Bank in Technology and Smart Manufacturing Industry Best IPO Project: China Three Gorges Renewables (Group) Co., Ltd., Sino Biological, Chengda Biotech Best Refinancing Project: Non-public Issuance of A Shares by Weichai Power, Nonpublic Issuance of A Shares by Yili Industrial by in 2021 Best Creative Project: The Project of the Acquisition of the Controlling Interests of Boya Bio-Pharmaceutical by CR Pharmaceutical Best Corporate Bond Project: 2021 Public Offering of Green Corporate Bonds to Professional Investors of Shenzhen Metro Construction Group Co., Ltd. (First Tranche) (Specialized for Carbon Neutrality) Best Convertible Bond Project: Public Issuance of Convertible Corporate Bonds by CECWP Best Asset-backed Securitization (ABS) Project: CITIC Securities — Chengdu Zhonghai International Center Green Asset-Backed Securities (“ABS”) Special Program (Specialized for Carbon Neutrality), CITIC Securities — China Resources Land The Mixc Chongqing Asset-Backed Securities (“ABS”) Special Program

The Company

Issued by	Name of Awards
Securities Times	2021 Jun Ding Award for Securities Investment Bank in China Full-Service Investment Bank, STAR Market Investment Bank, Overseas Investment Bank, Equity Refinancing Team STAR Market Financing Project: CanSino IPO Financial Adviser Project: Material assets restructuring of CMSK
	Second Most Respected Investment Bank by Listed Companies Top Ten Most Respected Investment Banks by Listed Companies Most Respected Capital Market Department by Listed Companies (Equity)
	Most Respected IPO Investment Bank by Listed Companies
	Most Respected Refinancing Investment Bank by Listed Companies
	Most Respected M&A Investment Bank by Listed Companies
	Most Respected Bond Investment Bank by Listed Companies
	2021 Jun Ding Award for Securities Industry Asset Management in China Full-Service Asset Management Institution, Asset Management Equity Team, Asset Management ABS Team, Team for Transformation of Products to Mutual Funds
	Quantitative Asset Management Plan: CITIC Securities Quantitative Optimization CTA Asset Management Plan: CITIC Securities Wealth Preferred CTA Strategy No. 1 FOF
	2021 Jun Ding Award for Securities Industry Wealth Management Broker in China Full-Service Wealth Management Broker
	Jun Ding Award for Top 30 Securities Outlets (Beijing Anwai Main Street Securities Outlet and Shenzhen Branch of CITIC Securities)
Wind Info	The 12th Tianma Award for Investor Relations of Chinese Listed Companies Best Investor Relations Award for Chinese Listed Companies
	Wind's Best Investment Bank for 2020 Best Investment Bank, Best Equity Underwriter, Best IPO Underwriter, Best Refinancing Underwriter, Best Preferred Stock Underwriter, Best STAR Market Equity Underwriter, Best ChiNext Equity Underwriter, Best NEEQ Select Tier Equity Underwriter
	Best Bond Underwriter, Best Credit Bond Underwriter-Excellent Securities Trader Award, Best Private Enterprise Bond Underwriter, Best Mid- To Long-Term Bond Underwriter, Best Financial Bond Underwriter-Excellent Securities Trader Award, Best Asset-backed Securities Underwriter, Best Credit ABS Underwriter, Best Enterprise ABS Underwriter, Best ABN Underwriter, Best Underwriter of Company Bonds, Best Underwriter of Corporate Bonds, Best Underwriter of Convertible Bonds, Best Underwriter of Exchangeable Bonds
	China Securities Journal 2021 Golden Bull Award in Chinese Securities Industry Golden Bull Award of Top Ten Securities Companies, Golden Bull Award of Social Responsibility of Securities Companies, Golden Bull Award for Culture Construction of the Securities Industry, Golden Bull Award for Financial Technology of Securities Companies, Golden Bull Wealth Management Team Award, Golden Bull Investment Bank Team Award
	2021 Golden Bull Award for Collective Asset Management Plan of Chinese Securities Companies Golden Bull Broker's Collective Asset Manager
	Three-Year Golden Bull Asset Management Plan for Bond Funds: CITIC Securities Collective Asset Management Plan for Optional One-Year Holding Bond Funds
	Three-Year Golden Bull Asset Management Plan for Hybrid Funds: CITIC Securities Collective Asset Management Plan for Growth Power Hybrid Funds
	Three-Year Golden Bull Asset Management Plan for FOF Funds: CITIC Securities Collective Asset Management Plan for Wealth Optimal One-Year Holding Hybrid FOF Funds
	One-Year Golden Bull Asset Management Plan for Hybrid Funds: CITIC Securities Collective Asset Management Plan for Quality Life Hybrid Funds

The Company

Issued by	Name of Awards
CAIJING Magazine	2021 Institutions with Most Contribution in STAR Market
Financial Times	2021 Best Securities Company
Finance Asia	Best Bond Underwriting Firm in the PRC
Asiamoney	2021 Best Corporate Finance and Investment Bank in China Best Domestic Equity Financing Broker, Best Domestic M&A Consultant Broker 2021 China Asset-backed Securitization Leader Award Best Asset-backed Securitization Underwriting Firm of Broker Category
Merger market	Best M&A Deal of the Year: Peking University Founder Group Co., Ltd. (Ping An Insurance (Group) Company of China, Ltd.) Best Energy, Mining and Utilities M&A Deal of the Year: China Gezhouba Group Co., Ltd. (China Energy Engineering Corporation Limited) Best Technology, Media and Telecommunications M&A Deal of the Year: Peking University Founder Group Co., Ltd. (Ping An Insurance (Group) Company of China, Ltd.)
Yicai	Top 10 Investment Banks of the Year of China Financial Value Ranking 2021
National Business Daily	2021 Top 1 Listed Chinese Securities Company in Terms of Brand Value, Golden Tripod Awards for the Most Influential Custody Broker
www.caishiv.com	Fund and Wealth Management • Jie Fu Awards: Outstanding Custodian, Outstanding Administrator, Outstanding Offshore Administrator

CITIC Securities/CLSA Limited

Issued by	Name of Awards
Asiamoney	Asiamoney Brokers Poll 2021 No. 2 Best Broker in Asia (Excluding Australia & Japan) No. 2 Best Salesperson in Asia (Excluding Australia & Japan) No. 2 Best Research in Asia (Excluding Australia & Japan) No. 2 Best Domestic Broker, No. 2 Best Research, No. 2 Best Salesperson, No. 2 Best Execution, No. 2 Best CA Servicer, No. 2 Best Northbound Trading Broker in China (A & B Shares) No. 2 Best Broker, No. 3 Best Research, No. 2 Best Salesperson, No. 2 Best Execution, No. 2 Best CA Servicer, No. 2 Best Southbound Trading Broker in Hong Kong, China
	Awards in Asia
	Japan No. 3 Best International Securities Company
	Korea No. 2 Best International Securities Company, No. 3 Best Research Business, No. 3 Best for Execution
	Australia No. 1 Best International Securities Company, No. 1 Best Research Business, No. 1 Best Sales Business, No. 1 Best CA Servicer, No. 1 Best for Execution Research: No. 1 Best Economist, No. 1 Best Analyst for Small, mid Caps Stock, No. 1 Best Analyst for Consumer Staples, No. 1 Best Analyst for Consumer Discretionary, No. 1 Best Analyst for Energy, No. 1 Best Analyst for Financials (Non-banking), No. 1 Best Analyst for Real Estate, No. 1 Best Analyst for Technology Hardware & Equipment, No. 1 Best Analyst for Utilities Sales and Trading: No. 1 Best Salesperson, No. 1 Best Sales Trader

CITIC Securities/CLSA Limited

Issued by	Name of Awards
Asiamoney	Indonesia No. 1 Best International Securities Company, No. 2 Best Research Business, No. 2 Best Sales Business, No. 2 Best CA Servicer, No. 2 Best for Execution Research: No. 1 Best Analyst for Energy, No. 1 Best Analyst for Real Estate Sales and Trading: No. 1 Best Sales Trader
	Malaysia No. 1 Best International Securities Company, No. 2 Best Research Business, No. 3 Best Sales Business, No. 3 Best CA Servicer, No. 3 Best for Execution Research: No. 1 Best Analyst for Industrials, No. 1 Best Analyst for Consumer Discretionary, No. 1 Best Analyst for Semiconductors & Semiconductor Equipment, No. 1 Best Analyst for Technology Hardware & Equipment, No. 1 Best Analyst for Software & Internet Services, No. 1 Best Analyst for Medical Services Sales and Trading: No. 1 Best Salesperson, No. 1 Best Sales Trader
	The Philippines No. 1 Best International Securities Company, No. 1 Best Research Business, No. 1 Best Sales Business, No. 1 Best CA Servicer, No. 1 Best for Execution Research: No. 1 Best Economist, No. 1 Best Strategist, No. 1 Best Analyst for Small, mid Caps Stocks, No. 1 Best Analyst for Banks, No. 1 Best Analyst for Casinos & Gaming, No. 1 Best Analyst for Consumer Staples, No. 1 Best Analyst for Consumer Discretionary, No. 1 Best Analyst for Energy, No. 1 Best Analyst for Financials (Non-banking), No. 1 Best Analyst for Materials, No. 1 Best Analyst for Real Estate, No. 1 Best Analyst for Software & Internet Services, No. 1 Best Analyst for Telecommunication Services, No. 1 Best Analyst for Utilities Sales and Trading: No. 1 Best Salesperson, No. 1 Best Sales Trader
	India No. 2 Best International Securities Company Research: No. 1 Best Analyst for Small/mid Caps Stock
	Pakistan No. 2 Best International Securities Companies
	Singapore Sales and Trading: No. 3 Best for Execution
	Thailand No. 2 Best International Securities Companies, No. 2 Best Research Business/No. 2 Best Sale Business, No. 3 Best CA Servicer Research: No. 1 Best Analyst for Banks
	Finance Asia
	Country Awards for Achievement 2021: Best Securities Issuer of the Year in Hong Kong, China Best IPO of the Year: JD Logistics listing (CITIC Securities, CLSA Limited as one of the sponsors)

CITIC Securities/CLSA Limited

Issued by	Name of Awards
Institutional Investor	2021 Research Business Ranking in Asia
	China No. 2 Best Securities Companies Leading Research: Analyst for Banks, Analyst for Small/mid Caps Stock, Analyst for Technology (Semiconductors)
	Hong Kong, China No. 2 Best Securities Companies Leading Research: Analyst for Banks, Analyst for Consumer Staples, Analyst for Small/mid Caps Stock, Analyst for Technology (Semiconductors), Analyst for Technology (Hardware equipment)
	Australia and New Zealand No. 2 Best Securities Companies
	India No. 3 Best Securities Companies
	Indonesia No. 1 Best Securities Companies Leading Research: Analyst for Telecom Industry, Analyst for Consumer Staples
	Malaysia No. 1 Best Securities Companies Leading Research: Analyst for Banks, Analyst for Healthcare and Pharmaceuticals Industry, Analyst for Industrials, Analyst for Technology (Hardware equipment)
	The Philippines No. 1 Best Securities Companies Leading Research: Analyst for Energy
	Singapore No. 2 Best Securities Companies Leading Research: Analyst for Consumer Staples
	Korea No. 2 Best Securities Companies Leading Research: Analyst for Banks, Analyst for Healthcare and Pharmaceuticals Industry, Analyst for Technology (Hardware equipment), Analyst for Technology (Internet Service and Software), Analyst for Tourism and Leisure Industry
	Thailand No. 1 Best Securities Companies Leading Research: Analyst for Consumer Staples

CITIC Securities/CLSA Limited

Issued by	Name of Awards
The Asset	Triple A Country Awards 2021 of National and Regional Awards for Sustainable Financial Markets
	Best Equity Advisor (China)
	Best Sustainable Panda bonds: RMB5 billion of Panda bonds of New Development Bank
	Best Carbon Neutrality Green Bonds (Enterprises): RMB5 billion green bonds of National Energy Investment Group
	Best Carbon Neutrality Green Bonds (Airports): RMB500 million neutral green bonds of Sichuan Province Airport Group.
	Best IPO: RMB54.16 billion of China Telecom A-share IPO
	Best Bank Capital Bonds: RMB500 million non-fixed term capital bonds of Ningbo Commerce Bank
	Best Corporate Panda Bonds: RMB3.5 billion public offering Panda bonds of BMW Finance
	Best Real Estate Investment Trust: 23.5 billion pesos IPO of RL Commercial REIT
	Best Sustainable Development Bonds (Real Estate): USD300 million sustainable bonds of Minmetals Properties
	Best Green Bonds (Technology): USD400 million green bonds of Xiaomi Corporation
	Best Green Bond (Financial Institution): RMB1 billion biodiversity themed green bonds of Bank of China Macau Branch, USD300 million green bonds of Bank of China Sydney Branch
	Most Innovative Deals: Dual currency floating-rate bonds of Bank of China Hong Kong Branch and London Branch
	Best Green Bond (Policy Lenders): USD500 million senior unsecured green notes of China Development Bank (Hong Kong)

CITIC Securities (Shandong)

Issued by	Name of Awards
All-China Federation of Trade Unions	Small National Model Home
Chinese Financial Workers’ Union	National Finance May 1 Labor Award: CITIC Securities (Shandong) Qingdao Office

Goldstone Investment

Issued by	Name of Awards
China Securities Journal	Golden Bull Broker’s Equity Investment Annual Winner
Zero2IPO Group	2021 Top 12 Private Equity Investment Institutions in China
	2021 Top 10 Investment Institutions in Advanced Manufacturing Field in China
	2021 Top 50 China State-owned Investment Institutions in China
CVINFO	2020 Top 15 Best Private Equity Investment Institutions in China
	2020 Top 10 Best Chinese-invested Private Equity Investment Institutions in China
	2020 Top 10 Best Private Equity Fund Subsidiaries of Brokers

CITIC Futures

Issued by	Name of Awards
People’s Government of Guangdong Province	Third Prize of 2020 Guangdong Financial Innovation Award
Zhengzhou Commodity Exchange	2020 Excellent Member, Excellent Risk Management Company, Excellent Member in International Marketing Services, Excellent Member in Industrial Service, Excellent Member in White Sugar Variety Service, Excellent Member in Methyl Alcohol Variety Service, Excellent Member in Glass Variety Service, Excellent Member in PTA Variety Service, Excellent Member in Cotton Variety Service, Excellent Member in Vegetable Variety Service, Excellent Member in Ferroalloy Variety Service, Excellent Member in Apple Variety Service, Excellent Member in Red Date Variety Service, Excellent Member in Thermal Coal Variety Service, Excellent Member in Staple Fiber Variety Service, Excellent Member in Urea Variety Service, Excellent Member in Soda Ash Variety Service
Dalian Commodity Exchange	Gold Award for Outstanding Member, Outstanding Institutional Service Award, Outstanding Chemical Product Industry Service Award, Outstanding International Market Service Award, Outstanding Black Product Industry Service Award, Outstanding Agricultural Product Industry Service Award, Outstanding Option Market Service Award, Outstanding Technical Support Award, Award for Outstanding Contribution by Futures Market Makers, Award for Outstanding Contribution by Options Market Makers
China Financial Futures Exchange	Platinum Award for Outstanding Member, Technology Management Award, Antiepidemic Contribution Award, Award for Contribution to Poverty Reduction, Outstanding Investment Education Award, Risk Management Services Award (Stock Index Options, Stock Index Futures, Treasury Futures)
Shanghai Futures Exchange	2020 Outstanding Member (Gold), Industry Service Award (Steel, Nonferrous Metal, Precious Metals, Energy & Chemical), Option Market Service Award, Outstanding Investment Research Team Award (Research Consulting Department of CITIC Futures), Outstanding Industrial Service Team Award
Shanghai International Energy Exchange	2020 Outstanding Member Award
Insurance Asset Management Association of China	2020 Most Popular Futures Company for Insurance Assets, 2020 Most Popular Futures Company for Insurance Assets (Research and Sales Services), 2020 Most Popular Futures Company for Insurance Assets (Futures Business)
Securities Times, Futures Daily	Best Futures Company in China, Best Service Award for Financial Futures, Best Targeted Poverty Alleviation and Charity Award, Best Financial Technology Advancement Award Best Asset Management Leading Award, Annual Best Investor Education Model Innovation Award, Best Institutional Contribution Award for Futures Talent Training, Emerging Future Company Award for Internationalization Process, Best Corporate Branding Development Award, Most Popular We Media for Futures Business Institutions, Best Derivatives Comprehensive Service Innovative Award, Best Risk Management Subsidiary Service Innovation Award (CITIC Securities Capital Management Co., Ltd.), Best Futures Operation Branch in China (CITIC Futures Zhejiang Branch Office), China Golden Futures Research Institute (Research Consulting Department of CITIC Futures)
www.stockstar.com	Outstanding Futures Company on the Financial Annual Champion Award List for 2021

China AMC

Issued by	Name of Awards
China Securities Journal	Golden Bull Award for Passive Investment Fund Managers
Shanghai Securities News	Golden Fund • Passive Investment Fund Manager Award Golden Fund • Equity Fund Award (Three-year Type): China AMC Innovation Frontier Golden Fund • Index Fund Award (Three-year Type): China AMC CSI 300 Index ETF Golden Fund • Socially Responsible Investment (ESG) Fund Award: China AMC Energy Innovation
Securities Times	ETF Management Star Fund Company Three-Year Consistent Return Equity Star Fund: China AMC Innovation Frontier Three-Year Consistent Return Absolute Return Strategy Star Fund: China AMC Yongfu Hybrid Three-Year Consistent Return Active Equity QDII Star Fund: China AMC Mobile Internet Hybrid (QDII)
National Business Daily	Most Powerful Dedicated Account Investment Fund Company Best Dedicated Account Investment Fixed Income Product Award: China AMC Fund Fixed Income + One-to-One Dedicated Account

(IV) Sustainable Development Performance



Economic Performance



76.52 Billion RMB
Revenue



1.77 RMB
Earnings per share



1.28 Trillion RMB
Total assets



23.10 Billion RMB
Net profit attributable to Owners of the Parent



5.85 RMB
Social contribution per share



209.17 Billion RMB
Equity attributable to Owners of the Parent



Environmental Performance



0.25 MWh
Energy consumption per square meter



0.16 Tonnes
Greenhouse gases (GHG) emissions per square meter



Over**136.2** Billion RMB
Mainly underwrite green bonds (including asset securitization products)



1.04 Tonnes
Water consumption per square meter



27.15 Billion RMB
Focus on ESG and sustainably-invested asset size



13.7 Billion RMB
Issuing scale of Carbon neutral bonds



Social Performance



23,696
Total headcount



100 %
Employee training coverage



99.14 %
Overall customer satisfaction



49 %
Proportion of female employees



67.63 Hours
Training hours per employee



50 Million RMB
Cumulative donations of the year

Note:

Social contribution per share = earnings per share + value added per share.

Value added per share = (tax paid + salaries paid to employees + interest on borrowings paid to creditors + external donations from the Company + securities investor protection funds + dividends - other social costs due to environmental pollution) ÷ number of shares.

Tax amount includes income tax, taxes and surcharges, vehicle and vessel use tax, stamp tax and house property tax according to accrual basis.

(IV) Response to the United Nations Sustainable Development Goals (SDGs)



2 SOCIAL RESPONSIBILITY MANAGEMENT SYSTEM

(I) Social Responsibility Management

1.Social Responsibility Concept

CITIC Securities takes the responsibility of responding to national strategies, serving the real economy and creating greater value for society to actively fulfil its corporate social responsibilities in terms of robust operation, sustainable finance, employee development, environment-friendly and giving back to society. During the year, the Company earnestly implemented the new development concept, continued to explore the field of sustainable finance, joined hands with employee development, steadily promoted business development, and shared the fruits of development with society, so as to create value for customers, shareholders, employees, society and other stakeholders.

2.Social Responsibility Model

Sustainable Finance

Take the initiatives to make responsible investment and leverage edges of the financial industry in support of sustainable economic and social development.

Employee Development

Create a high-quality talent team, and set up a strong career development platform to achieve a common progress between the Company and employees.

Giving Back to Society

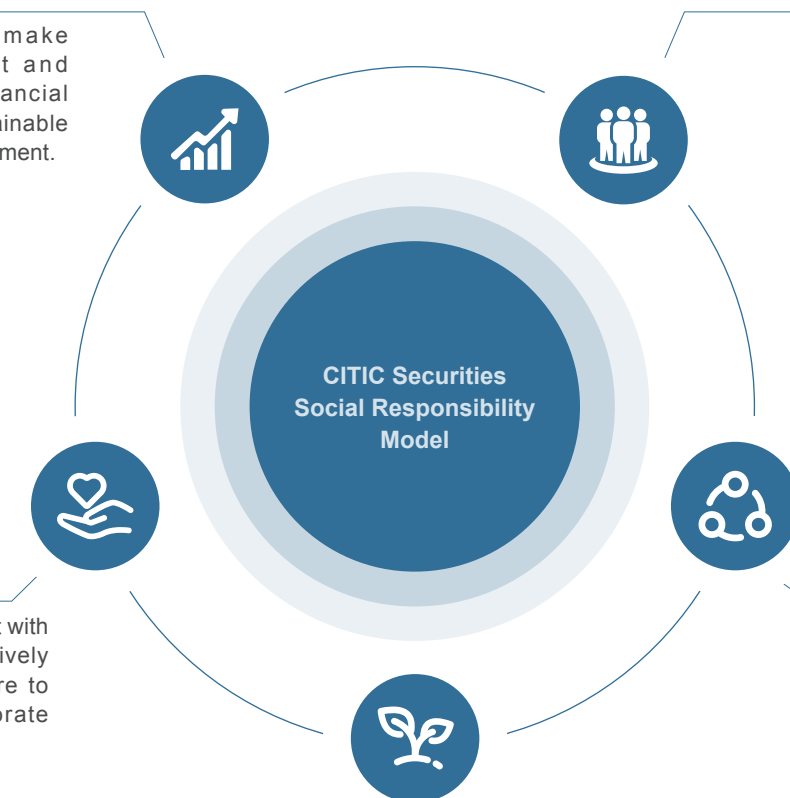
Empower social development with financial services, and actively participate in social welfare to effectively fulfil our corporate citizenship responsibilities.

Robust Operation

Adhere to the principles of standardized operation, diligence and responsibility, customer first to promote the Company's stable and healthy development.

Environment-friendly

Minimize the environmental impact of our operations, and actively address the challenge of climate change to help achieve the national goals of emission peak and carbon neutrality.



(II) Social Responsibility Organizational Structure

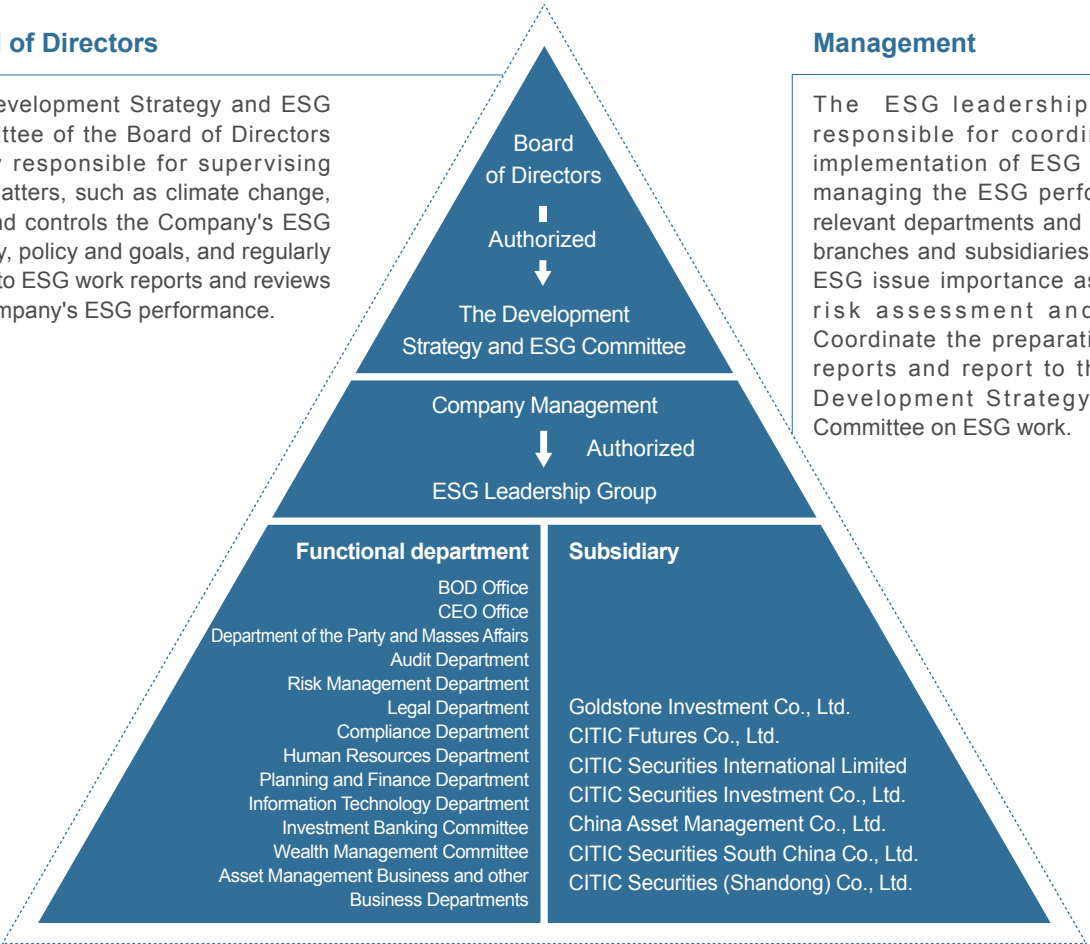
CITIC Securities has established and continuously improved the social responsibility organizational structure. We integrated the concept of social responsibility into our daily operation and management, and continuously promote the integration of social responsibility with business development to ensure proper fulfilment of social responsibilities. The Board of Directors is responsible for the decision making in social responsibility management strategies as well as implement by Managerial Level. Departments and subsidiaries work together to develop and implement social responsibility tasks.

Board of Directors

The Development Strategy and ESG Committee of the Board of Directors is fully responsible for supervising ESG matters, such as climate change, etc., and controls the Company's ESG strategy, policy and goals, and regularly listens to ESG work reports and reviews the Company's ESG performance.

Management

The ESG leadership Group is responsible for coordinating the implementation of ESG strategies, managing the ESG performance of relevant departments and subordinate branches and subsidiaries, organizing ESG issue importance assessment, risk assessment and control, Coordinate the preparation of ESG reports and report to the Board's Development Strategy and ESG Committee on ESG work.



Implementation

Functional departments and subsidiaries form the Company's ESG Working Group, which is the specific executor of the company's ESG work and is responsible for completing relevant work in accordance with the ESG work plan. The ESG Working Group regularly reports the ESG work of the department to the ESG Leading Group.

(III) Stakeholder Engagement

CITIC Securities values communication with stakeholders. According to the actual business and management operation characteristics, The Company builds multiple communication channels to ensure the timely and effective communication between the Company and stakeholders. We gain insight into the views and needs of main stakeholders and carefully evaluate the feedback as a reference for the Company's ESG priorities.

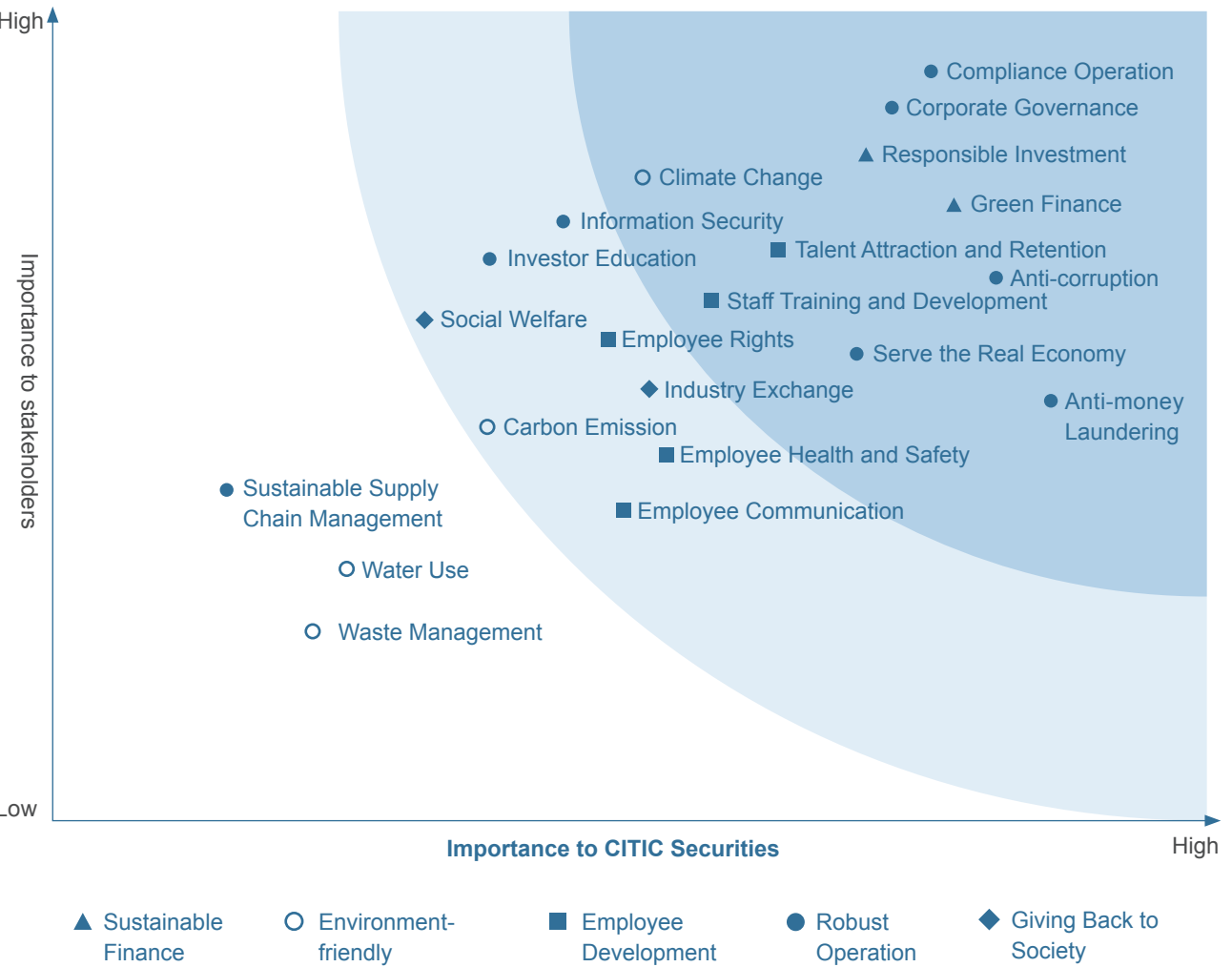
KEY STAKEHOLDERS	MAIN COMMUNICATION CHANNEL	KEY ISSUES CONCERNED
Customers	Customer visit, satisfaction surveys, customer complaint hotline	Investor Education Information Security Serve the Real Economy
Government and Regulators	Major conferences, policy consultation, event reporting, Institutional inspection, official document exchanges, and information submission	Compliance Operation Social Welfare Serve the Real Economy Climate Change
Shareholders and Investors	Shareholder meeting, regular corporate reports, shareholder hotline, email, SSE "e-interaction" platform, face-to-face communication	Corporate Governance Compliance Operation Climate Change Responsible Investment
Employees	Employee suggestion boxes, labor unions, employee satisfaction surveys, employee activities	Employee Rights Talent Attraction and Retention Employee Health and Safety Staff Training and Development Employee Communication
Suppliers and Partners	Supplier inspection, communication meetings	Sustainable Supply Chain Management Anti-corruption Climate Change
Community and the Public	Public welfare activities, community interaction	Responsible Investment Information Security Social Welfare Industry Exchange Climate Change

(IV) Materiality Assessment

CITIC Securities maintains effective communication with main stakeholders through the above channels. Taking into account the Company's strategy and stakeholders' demands with reference to external experts' opinions, we have systematically conducted a materiality assessment process on ESG issues to identify material social responsibility issues concerned by stakeholders and disclosed in the Report.



The assessment of materiality issues is shown in the figure below, and the management and progress of relevant issues will be described in detail below.



3 FOCUSING ON SUSTAINABLE FINANCE

CITIC Securities is committed to practicing new development concept in financial sector and recognizes the leading role of the financial institution for promoting sustainable economic growth and national economic transformation. We integrate the ESG concept into various businesses, boosting the promotion and practice of sustainable finance and green finance, thus pushing forward the joint realization of economic, social and environmental benefits.

(I) Incorporating ESG Factors into a Comprehensive Risk Management System

In recent years, as environmental and social issues are gaining increasingly attention, environmental risks and health, safety and other social risks have significantly affected the global economy, which will also pose notable impact on the financial sector's business operation and long-term sustainable development.

CITIC Securities has gradually incorporated ESG risks into the comprehensive risk management system. Based on the Company's comprehensive risk management framework, we continuously strengthen the pre-prevention, intra-event and post-event control and management on ESG risks at the company level and the business level through assessment, measurement, monitoring, response and reporting, so as to further improve the effectiveness of the Company's non-financial risk control and facilitate the long-term sustainable development of the Company.

CITIC Securities embed ESG risk considerations into the risk management processes of all business lines, and fully integrate ESG due diligence into the financing business, equity investment business and investment banking business of relevant departments of the headquarters and subsidiaries. We support enterprises that strictly practice ESG responsibility and deny admittance of those with significant ESG risks in principle. In our daily project review and public opinion risk monitoring, we pay more attention to credit risk assessment of enterprises in high energy-consuming industries and give priority to supporting industries encouraged by national policies. And at the same time, we carry out training on ESG due diligence for all relevant business personnel and risk management personnel to enhance their awareness of ESG risks and ability to manage and control such risks.

The following is an overview of the key points of CITIC Securities' ESG due diligence:

Environmental Responsibility	Social Responsibility	Corporate Governance
Focus on the impact of enterprises on the external environment in the course of production and operation according to regulatory requirements. Put emphasis on environmental risk scores and strengthen credit risk management during due diligence for projects involved in high environmental risk fields such as agriculture, biodiversity, energy utilization, forestry, mining, oil and gas, transportation and raw materials.	Focus on the Company's social responsibility and other key issues in the nation's social development, including human resources and supply chain, etc.	Focus on corporate governance compliance, including management compliance, business ethics, litigation and disputes, etc.

Business Area	ESG Risk Management Measures
Investment and financing	<p>Internal credit rating: Conduct internal ratings on different credit entities and apply the results to various business management by considering the ESG factors of each enterprise.</p> <p>Admission management: Conduct admission management and public opinion management for the targets. Maintain active in-depth research and observation on industries that are green, low-carbon and environment-friendly, as well as the exploration and layout of industrial value under the guidance of the "emission peak and carbon neutrality" policy, monitor negative public opinions on investment and financing targets. Timely assess and analyze entities with significant negative ESG, prudently assess and judge the effects and take necessary adjustments and responses in a timely manner.</p> <p>Post-investment management: Follow the enterprises' responsibility performance towards stakeholders and make recommendations on the focus of post-investment management to enhance their sustainable development capability.</p>
Private equity investment	<p>Independent due diligence and risk evaluation: Manage PE investments throughout the project process, carry out independent due diligence on projects including ESG factors, issue project risk evaluation opinions based on independent project due diligence and risk judgement, and conduct further risk evaluation on those with significant impact.</p>
Underwriting and sponsorship	<p>ESG risk factor monitoring: Comprehensively use public opinion monitoring, due diligence, risk screening and long-term risk analysis and research to conduct regular tracking and key monitoring of factors such as the sustainable development and corporate governance of the issuers/assets.</p>
Distribution of financial products	<p>Qualification examination: Review the integrity and legal compliance of the manager in the qualification examination process of the trustor, and those with poor integrity records and negative market evaluation will be in the list of prudent cooperative institutions.</p>

(II) Improving Responsible Investment System

CITIC Securities continues to refine its concept of responsible investment by developing responsible investment strategies for different asset categories to achieve screening of investment targets. In the investment process, the Company is dedicated to fully integrating ESG factors into the initial screening, investment research, risk warning and management of investment targets, as a way to influence the final investment decision.

1.CITIC Securities’ ESG Approaches to Sustainable Investment

<ul style="list-style-type: none">• Positive screening: In the selection of investment target industries, we put emphasis on new energy and other industries that are more in line with the ESG concept and pay attention to the ESG scores and movements of the investment targets in conjunction with internal and external ratings.• Negative prudence: In the selection of investment targets, we conduct prudent assessments before making investment decisions on the investment targets with significant negative social and environmental impacts.• Impact investment: While pursuing financial returns, CITIC Securities is also committed to creating specific positive ESG impact. We are concerned about priority issues such as China's future economic and social transformation and sustainable development, and actively participate in investing in assets for the purpose of low-carbon and environmental protection, rural revitalization and inclusive finance.
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2.CITIC Securities' Responsible Investment Practice

We have effectively implemented responsible investment in our business by continuously adding assets with ESG attributes to our investment portfolios, including: credit assets for the development of green finance, poverty alleviation, environmental protection projects as well as pandemic prevention and control, fund products using ESG factors as key stock selection criteria, and listed companies receiving high ESG scores from professional institutions.

- **Bonds:** We focus on green bonds, rural revitalization bonds, environmental protection corporate bonds and pandemic prevention and control bonds, and track credit assets in the market funding for the construction of environmental protection and the implementation of social responsibility. We invest in high-quality bonds of relevant categories by evaluating factors such as the solvency of credit entities.

- **Funds:** Our fund investment team selects top-performing managers in the market who practice ESG responsible investment through quantitative and qualitative research and analysis.

- **Stocks:** When studying the ESG attributes of listed companies, we take the company as a dimension and incorporate ESG concept into our investment decisions through internal research combined with relevant scoring systems of external professional institutions. We also highlight listed companies with high ESG scores from professional institutions.

China AMC Signing UN PRI

Case

China AMC, a subsidiary of CITIC Securities, became the first public fund company in China signing UN PRI in March 2017. China AMC devotes itself to apply the six Principles for Responsible Investment and systematically incorporates ESG issues into investment processes. It owns a robust ESG risk management framework, a designated ESG investment research team and ESG Business Committee chaired by the general manager.

China AMC is the first to directly insert the ESG research team to the Investment Department and actively applies 6 ESG investment processes of strategy formulation, fundamental analysis, portfolio management, risk control, dialogue with listed companies, and regular tracking, for the purpose of proper control over ESG risks and long-term returns. At present, the ESG team of China AMC has completed the establishment of ESG research framework for industries including real estate, finance, building materials, transportation, internet and large-consumption, and has conducted a series of tracking and research on carbon neutrality.

CITIC Securities will put more efforts in strengthening its sustainable development and the construction of responsible investment system by carrying out regular trainings for employees on ESG concept and ESG investment, and improving its ESG management system continuously by enhancing external communication and cooperation of ESG investment, thereby propelling sustainable economic and social development.

3.Conducting Responsible Investment Research

CITIC Securities conducts in-depth research on responsible investment through in-depth analysis on trend in the industry and market, and prospective analysis on ESG risks and opportunities of industries and companies. Furthermore, it also builds its own ESG scoring system, publishes research and analysis reports, and encourages the subsidiaries to focus on responsible investment. In so doing, it can comprehensively enhance its participation and overall level of responsible investment.

ESG Scoring System of CITIC Securities

Focusing on the "localized" approach and investment application of the ESG evaluation system, and with CSI 800 as the initial boundary, CITIC Securities has created a new CITIC Securities ESG scoring system under an international perspective and China's conditions from an international perspective, to explore innovation in indexing and data services. Based on the scoring results, we have compiled the CITIC Securities ESG 100 Index, which has outperformed the market's major broad-based indices with an annualized return of 17.21% since 2017.

- **Environmental indicators** - Two secondary indicators, environmental risk level and enterprise environmental level, are designed therein. The environmental risk level indicator aims to evaluate the environmental risk of enterprises in all aspects, especially the compliance of enterprises' environment-related activities based on policy management rules with government regulation as the red line, while the enterprise environmental management level indicator represents the ability of enterprises to manage environmental risks.

- **Social responsibility indicators** - Considering the availability of underlying data and the current development stage of China, there are four indicators including employee, consumer, society and supply chain, which highlight the responsibility of listed companies under the overall development of the nation and society and introduce the policy environment variables of the industry to which the enterprise belongs.

- **Corporate governance indicators** - Internal corporate governance compliance and external effectiveness are at the centre of attention. Internal governance compliance is mainly reflected in information disclosure and governance system construction meeting regulatory requirements; while external effectiveness represents whether the enterprise can increase corporate value and choose the right development strategy through effective governance. The core indicators are built around management data and business ethics indicators.

CITIC Securities has formed a system of four major research areas: ESG policy research, ESG investment research, ESG product research and "emission peak and carbon neutrality" by actively involving in ESG thematic research, and focusing on how to practice ESG investment concept in the domestic capital market, and has accumulated great research fruits in the field of ESG. In this year, CITIC Securities Research Department held a number of large-scale conferences and forums, and released more than 30 ESG-themed research reports. To further strengthen the theoretical foundation of ESG investment, we provided corresponding suggestions for investors and from the aspects of carbon neutralization path, industry outlook and risk analysis, so as to help investors avoid ESG risks and obtain long-term sustainable investment returns.



30+ ESG thematic research reports, covering policy research, global industry strategy tracking, ESG investment system, index products and other categories.



50+ carbon neutrality related research reports, covering public environmental protection, chemical engineering, power equipment and new energy, steel, telecommunications and other industries.

China AMC Actively Promotes the Research and Investment of ESG

Case

During the year, China AMC, a subsidiary of CITIC Securities, was invited to become a member of the Green and Sustainable Investment Committee of the Asset Management Association of China and served as the leader in its second working group to promote the establishment of ESG investment and related product specifications in China. At the same time, China AMC, as the only representative of fund companies, attended the seminar held by the People's Bank Of China, put forward the path direction and data analysis on the emission peak and carbon neutrality goals, and was also appointed by the China Securities Regulatory Commission as a representative of Chinese financial institutions to participate in the International Organization of Securities Regulatory Commissions (IOSCO) global seminar on sustainable information disclosure, and actively promoted the implementation of ESG-related disclosure regulations.

CITIC Securities Successfully Held the ESG Offshore Bond Strategy Conference

Case

On June 18, 2021, CITIC Securities held an online conference on ESG Offshore Bond strategies to discuss the development process, investment logic, strategic opportunities, and challenges of offshore ESG bonds.

The successful holding of this conference further consolidated and deepened the cooperation between CITIC Securities and global customers in the capital market and ESG fields and enhanced the influence of CITIC Securities in the onshore and offshore bond markets.



(III) Actively Engaging in Green Finance

In order to implement the nation's major decisions and arrangements on "emission peak" and "carbon neutrality", CITIC Securities continuously carries out in-depth research and observation on industries that are green, low-carbon and environment-friendly, as well as deeply explores and lays out of industrial value under the guidance of the "emission peak and carbon neutrality" policy. Meantime, we actively promote and participate in green financial innovation and utilizes capital allocation to guide the green and low-carbon transformation of industrial and energy structures.

In 2021, CITIC Securities underwrote a total of 71 green bonds (including asset securitization products) with a total amount of more than RMB 136.2 billion and an actual underwriting amount of RMB 30.678 billion. Among them, the amount of carbon neutral bonds issued was RMB13.7 billion and the green corporate bonds (including asset securitization products) mainly underwriting issued nearly RMB 16.5 billion.

In terms of overseas business, CITIC Securities underwrote a total of 36 international ESG bonds in 2021. CITIC Securities has established an ESG advisory service team led by international rating consultants to design international ESG financing products and solutions for domestic and foreign enterprises, continuously assisting Chinese enterprises in getting familiar with international rules, and contributing to the development and construction of the international ESG debt capital market.

Meanwhile, CITIC Securities has actively joined in the carbon market construction by setting up a dedicated carbon trading team and being fully involved in the construction of the carbon spot and futures markets nationwide as well as in the pilot areas. As a result, CITIC Securities completed the first batch of carbon emissions trading, and launched innovative businesses such as carbon allowance repurchase and over-the-counter swaps of carbon emission permits.

CITIC Securities Actively Introducing the Concept of "Carbon Neutrality" to the Derivatives Market

Case

In May 2021, with the support of Shanghai Clearing House, CITIC Securities completed the market's first OTC derivatives trading business using the "Carbon Neutrality Bond Index of Shanghai Clearing House" as the target. In November 2021, CITIC Securities joined the carbon emissions permit trading standard text working team and the carbon derivatives working team to discuss with the National Association of Financial Market Institutional Investors on the establishment of a standardized carbon emissions permit derivatives trading market and take an active part in the construction of the carbon derivatives market.

CITIC Securities Successfully Issuing the First Carbon Neutrality Index Linked Income Vouchers Product

In the process of achieving the goal of "emission peak and carbon neutrality", green industries such as new energy will usher in new opportunities. In this year, CITIC Securities issued the first carbon neutrality index linked income certificate product for the purpose of serving the green investment needs of residents. Taking carbon neutrality development such as source emission reduction, environmental monitoring and energy upgrading as the path, and combining carbon data of listed companies and green evaluation system of carbon assets, the index selects 100 and 300 stocks as carbon neutrality and Carbon Neutrality 300 Index samples, reflecting the long-term performance of listed companies that play a key role in the field of carbon neutrality, thus, providing the capital market with an important benchmark for investment in the "emission peak and carbon neutrality" field.

CITIC Securities Facilitating Successful Issuance of the First Batch of Carbon Neutrality Green Bonds at Stock Exchanges

In February 2021, as the lead underwriter of the first batch of carbon neutrality green bonds, the Company successfully assisted a number of enterprises in issuing carbon neutrality green bonds with a total scale of RMB 7 billion mainly used for projects such as wind power, hydropower and solar energy, to help the construction of clean energy systems and green infrastructure systems.

CITIC Securities Assisting the First Domestic Carbon Neutrality Bonds for Forest Carbon Sink

Case

CITIC Securities, as the lead underwriter, actively promoted dozens of investors at home and abroad to participate in the project of the first batch of carbon neutrality bonds for forest carbon sink in China. In the process of implementing the project, we strictly followed the "measurable, verifiable and testable" principles required by the People's Bank of China and other regulators to forcefully promote the greening area of forestry, regional water source conservation, soil and water conservation, soil conservation, oxygen releasing and carbon fixation.

CITIC Securities Helping ATRenew (AHS Recycle)'s Successful Listing on New York Stock Exchange

ATRenew is the world's largest trading and service platform for used consumer electronics products. Its listing on New York Stock Exchange was the first US stock IPO in the circular economy industry in which CITIC Securities/CLSA Limited participated, successfully creating the first ESG-themed stock and the first circular economy stock of overseas-listed Chinese shares.

CITIC Securities Became the Initiator and Executive Director of the Carbon Neutral Action Alliance

In 2021, CITIC Securities will be invited to become the initiator and executive director of the Carbon Neutral Action Alliance established by Shanghai Environment and Energy Exchange (the national carbon trading system management unit). We will focus on the construction of the national carbon market and actively promote the innovation and systematic development of carbon finance business.



The first Member Conference of CITIC Securities Attending Carbon Neutral Action Alliance and Corporate Carbon Neutral Seminar

4 ACTING ENVIRONMENT-FRIENDLY

CITIC Securities actively implements the green operation concept to minimize the environmental impact of its operations and strengthens the company's adaptability to climate change, and take concrete actions to build ecological civilization in an effort to promote living in harmony with nature.

(I) Climate Change Response

1.Climate Change Risk Management

In 2021, CITIC Securities took step toward identifying strategies and approaches to address climate-related risks and opportunities, conducted in-depth assessment on climate risks, and disclosed the management measures taken and fruits gained in addressing climate change-related risks, opportunities in terms of governance, strategy, risk management, metrics and targets, with reference to the disclosure framework of the Task Force on Climate-Related Financial Disclosures (TCFD).

Governance

The Board of Directors Development Strategy and ESG Committee oversees ESG matters including climate-related issues. The ESG Leadship Group and relevant functional departments implement specific work on addressing climate change.

Strategy

Comprehensively consider climate-related risks and opportunities, assess their short-term, medium-term and long-term impacts on the Company's operations and business, and fully consider countermeasures in the Company's development strategy. Support low-carbon development and promote low-carbon transformation by practicing low-carbon operations and leveraging capabilities and resources in business areas.

Risk Management

Identify and assess the major risks and opportunities posed by the physical and transitional risks of climate change to the Company's operations and business with reference to the TCFD framework, and plans to gradually incorporate climate-related risks into the comprehensive risk management system in the future.

Metrics and Targets

Disclose greenhouse gases emissions data, formulate and review environmental goals, and demonstrate the Company's energy-saving and carbon-control measures and achievements; Disclose the main work and achievements of companies in the field of green finance.

2.Identification of Risks and Opportunities

In order to protect the long-term stable operation of the Company from climate change-related risks, CITIC Securities actively identifies and assesses material risks and opportunities arising from climate change-related physical and transformation risks for our operations and businesses, and implement targeted management.

Risks	Description	Potential financial impact	Responses
Acute physical risk	The Company, its customers and the physical operating units of which the investment is made may be exposed to property losses or operational disruptions due to extreme weather events such as typhoons, floods, storms.	Depreciation of fixed assets Decrease in portfolio value Decrease in operating income	Strengthen risk prevention measures against extreme climate disasters and conduct training on emergency rescue capabilities
Chronic physical risk	Factors such as rising sea levels and increasingly worse extreme weather have a greater impact on specific sectors related to physical assets or natural resources, including the real estate, transport, energy, forestry, agriculture and tourism, which may cause increased costs and disruption of services in these sectors, leading to an increased probability of default. Long-term extreme severe weather may also affect the stable operation and the value of the investee.	Increase in credit risk	Control climate risk in business activities, improve risk identification for enterprises sensitive to physical risks, and strengthen due diligence, approval & decision-making and follow-up management processes in various business lines
Policy and regulatory risk	The formulation and release of climate-related policies, the development and implementation of carbon trading and the pricing of carbon emissions, will increase the carbon constraints pressure on traditional high-pollution and high-energy-consuming industries, such as thermal power, steel, chemical, building materials, coal chemical; The Company and its customers may be subject to legal liability, regulatory measures, disciplinary punishment, property losses or business reputation losses due to non-compliance with climate-related policies or laws.	Decrease in portfolio value Increase in credit risk	Reduce the scale of financing in areas such as high pollution, high energy consumption, overcapacity, and fossil fuels
Market risk	Due to the accelerated transition to low carbon, a large number of high-carbon assets such as infrastructure related to the energy sector will be deliberately depreciated at an accelerated rate, resulting in both capital and revenue losses for enterprises on the one hand, and impact on the interests of investors and creditors on the other hand. With advances in renewable energy technologies and the decline in new energy costs in the future, the competitiveness of traditional fossil energy markets will be weakened; Investments in carbon-intensive enterprises, or the failure to identify the significant environmental and social risks of the investee in a timely manner, will affect the return on investment. Those with a bad impact may be subject to public outcry and even regulatory measures.	Depreciation of fixed assets Increase in credit risk Decrease in portfolio value	Focuses of the portfolios shall be on renewable energy and new energy industries Continuously strengthen the risk management of climate change, environment and society, focus on sensitive industries that may exert significant adverse impacts on people or the environment Analyze climate change scenarios and its pressure testing in the future
Reputation risk	We fail to align our business model, or that of our customers, with the low carbon economy; Misconduct of enterprises, including inconsistencies between what is reported and what is actually done, can damage a company's reputation and affect agency rating and public reputation.	Decrease in operating income Downgrade Decrease in brand value A loss of confidence in investors	

Opportunities	Description	Potential financial impact	Responses
Market opportunities	The introduction of relevant policies related to carbon neutrality and climate change investment and financing provides guidance for the green finance business and markets. It is conducive to open up new growth space for the Company and support customers in their transition to sustainability and low carbon by focusing on climate-friendly products and services, researching innovative climate-friendly products, and actively developing green finance, such as green bonds, green equity financing, green asset-backed securities, etc., providing customers in green industries such as environmental protection, energy conservation, clean energy with financial services	Increase in operating income Increase in portfolio value	Promote green investment and financing, underwrite and issue green financial products such as green bonds and green asset-backed securities Set up the CITIC Securities ESG scoring system and launch the CITIC Securities ESG 100 Index products Actively participate in the carbon market and trading, develop carbon trading rights futures and derivatives, and provide liquidity to the carbon market
Adaptability	Climate change-related business research and industry exchanges are beneficial to improve the Company's ability to make preparation for risks and opportunities brought by climate change and enhance the brand image of fulfilling social responsibilities.	Increase in reputation and influence Increase in operating income	Issue ESG investment-related research reports and hold forums on the theme of sustainability to enhance ESG research and industry exchanges
Enhanced efficiency of resources	Energy conservation and emission reduction methods such as creating green office areas/data centers and improving resource and energy efficiency help to lower operating costs.	Increase in the value of fixed assets Decrease in operating expenses Decrease in operating costs	Realize the use of renewable energy at Beijing headquarters building by signing a long-term power purchase agreement for renewable energy

3.Metrics and Targets

The Company sets goals for mitigating climate change risks from daily operations and business operations.

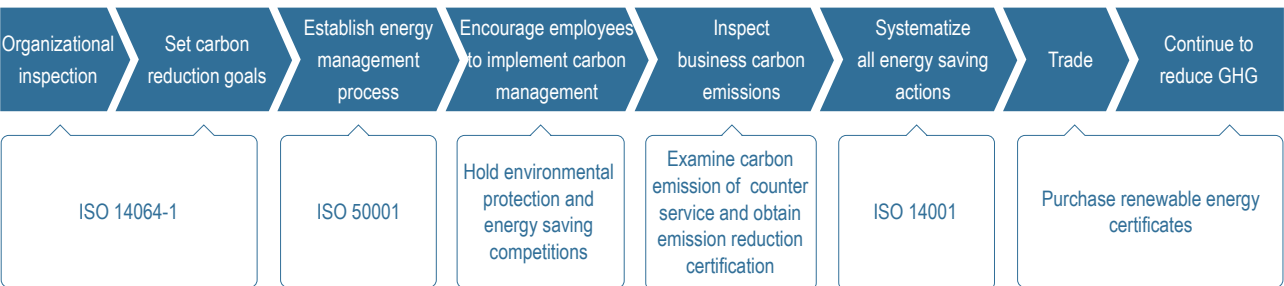
Metrics and targets of business operation	As an investment bank, the Company actively promotes green bonds underwriting and issuance, green equity investment and financing, green asset-backed securities, etc. In 2021, CITIC Securities underwritten a total of 71 green bonds (including asset securitization products), with a total scale of over RMB 136.2 billion and an actual underwriting scale of RMB 30.678 billion. Among them, the issuance scale of carbon neutral bonds was RMB 13.7 billion. In terms of asset management, we will continue to pay attention to ESG and sustainable investments in the future, and steadily increase the proportion of the assets.	
Daily operational targets	<ul style="list-style-type: none">Energy saving and emission reduction: From 2030 to the following years, CITIC Securities Beijing Headquarters Building will achieve100% clean energy use every year.Waste Management: 100% hazardous waste shall be disposed in compliance with the requirements. Promote the use of electronic meeting materials, and gradually realize paperless office.Water Use: Continually strengthen water management to avoid waste of water resources.	
Daily operational metrics	27,593.65 tonnes Total GHG emissions (scope 1 and scope 2)	0.16 tonnes GHG emissions per square meter

(II) Green Operation

We strictly abide by the relevant laws and regulations such as the Energy Conservation Law of the People's Republic of China and the Environmental Protection Law of the People's Republic of China, and advocate low-carbon and environment-friendly business and working style. We have strengthened energy-saving and carbon-reduction management, implemented waste sorting and resource recycling, promoted paperless office, and insisted on green procurement, so as to further promote the proper implementation of environmental protection. In the current year, we completed carbon emission inventory, set relevant environmental targets, reviewed the status of achievement on a regular basis, thus contributing to environmental protection.

1. Energy Saving and Carbon Reduction

CITIC Securities has responded positively to the national goal of "carbon neutrality", and carried out carbon reduction from the aspects of energy saving management and utilization of clean energy. The steps in our overall carbon reduction efforts include:



CITIC Securities Daily Control Measures for Energy Saving and Carbon Reduction

- Reasonably adjust the lighting switching time of public areas in the building through the lighting control system
- Check and turn off unnecessary lighting in office areas or machine rooms
- Strengthen night patrols and inspections, clean up the site after everyday work, and turn off lights before leave
- Continue to implement the replacement of traditional illumination with LED lightings
- Set air conditioners in public space to a proper temperature
- Adjust the switching time and temperature settings of the fresh air handling unit through the building control system
- Reduce on-site meetings and lower carbon emissions from business travel

The Company has adopted Tier 4 construction standard for the Beijing data center, which is among the first-class level in China and the leading level in the industry and has won many highest awards regarding data center design and construction in China. The data center has adopted "Free Cooling" as an energy saving measure, using plate heat exchangers for cooling as far as possible and discontinuing the use of chillers to save energy during the winter when outdoor temperatures are low. In addition, cold aisle closures have been adopted to reduce cold air losses and improve cooling efficiency. In the operation of the machine rooms, attention is also paid to energy saving by using LED lighting and reducing the use of fresh air units in summer. We continue to enhance energy saving management of the data center, improve equipment operational efficiency.

We plan to gradually replace traditional electricity consumption by purchasing clean energy to reduce our carbon emissions in Scope 2. At present, we have formulated the following targets for the clean energy procurement of Beijing headquarters building of CITIC Securities:

30%

From 2022 to 2024:
an annual utilization of
30% clean energy

50%

From 2025 to 2029:
an annual utilization of
50% clean energy

100%

2030 and beyond:
an annual utilization of
100% clean energy

China AMC, a subsidiary of CITIC Securities, is a leader in the industry's "carbon neutrality" commitment, announcing in July 2021 that it would achieve "carbon neutrality" in its operations from 2021 onwards. China AMC will continue to reduce emissions by saving electricity and paper, improving business travel, supplemented by initiatives such as purchasing green power certificates and carbon sinks to offset the remaining emissions. At the same time, China AMC will strengthen the measurement of portfolio carbon emissions, and urge the investees to enhance climate change risk management and information disclosure, and plan to complete the baseline measurement and target setting of portfolio carbon emissions by 2025.

Case

Green Life, Upward Walk

At the beginning of 2022, CITIC Securities launched the "Green Life, Upward Walk" campaign. We comprehensively upgraded the stairwell of the Beijing headquarters building, encouraging employees to use stairs instead of elevators in their daily work, allowing employees to practice ESG concepts while strengthening exercise, and start a low-carbon office and life.



Case

2. Saving Water Resources

CITIC Securities actively responds to the national call on water conservation and makes water-saving and water recovery plans according to the actual operation and puts them into practice. We carry out overall monitoring of the water consumption of the office building and regularly inspect the leakage of pipelines and equipment for timely maintenance. We set up oil cut-off troughs in the canteen and adjust the cleaning process of the dishes to save water for washing. In addition, we renovated the water purification system in Beijing headquarters building for wastewater recycling, where the filtered wastewater from the main unit is collected into an underground water tank through new pipelines for further reuse. At the same time, the wastewater from drinking machines is recycled and reused as reclaimed water to improve the efficiency of water use.

3. Waste Management

Actively responding to relevant policies such as the Domestic Waste Management in Beijing and the Development Plan for Municipal Domestic Waste Sorting and Treatment Facilities During the 14th Five-Year Plan Period, CITIC Securities has formulated a waste management system, implemented a waste treatment program, and carried out waste sorting training so as to enhance employees' awareness of environmental protection.

The waste of the Company is mainly waste from office and general domestic waste. We carefully select various waste treatment providers to ensure that the treatment and disposal of waste is legal and does not cause secondary impact on the environment. The general waste is transported to incineration plants by qualified waste removal companies, while the recoverable waste and canteen waste are collected and disposed of by qualified recyclers. All hazardous wastes such as waste fluorescent tubes and waste lead-acid accumulators are handed over to qualified vendors for compliant disposal.





In 2021, the Company continued to launch the campaign of waste sorting and recycling through various means. We installed sorting bins and bags in the buildings and posted related marks and labels to remind employees to properly classify waste. We set up bulletin board for "waste sorting" to promote environmental awareness of employees.

Canteen Waste Treatment Program

- We put up promotional slogans and posters on food saving and waste sorting in canteens, and also organize regular publicity activities on the theme, meanwhile, we encourage employees to take what they can eat and classify canteen waste after meals, so as to gradually develop an awareness of waste sorting and environmental protection, and foster a lifestyle that cherishes and saves resources
- We have arranged specially assigned person to guide and assist employees in the sorting and distribution of canteen waste, so as to enhance their awareness and participation in the sorting of canteen waste
- We have assigned persons in charge of waste sorting in the canteen, who are responsible for checking the classification of canteen waste, and promptly alerting and disposing of any misclassification

4.Paperless Office

CITIC Securities actively promotes paperless office, makes effective use of information technology, and saves office resources and practices green office in various paperless scenario such as meetings, affairs, services, and teaching.

<p>Meeting Paperless</p> <p></p> <p>Do not provide paper materials instead of transmitting or displaying them electronically; Various business promotions and performance reviews should be implemented in the form of video conferences, and conference materials will be displayed online.</p>	<p>Affairs Paperless</p> <p></p> <p>Internal official documents and various documents should be electronically, or use paper on both sides;</p> <p>Use the Internet bulletin board to announce various information;</p> <p>Reduce the use of paper cups, lunch boxes, etc.</p>	<p>Service Paperless</p> <p></p> <p>Implement online self-service and electronic form to reduce paper consumption.</p>	<p>Teaching Paperless</p> <p></p> <p>Build and use an online teaching system, and distribute teaching materials in the form of electronic documents, which effectively saves paper consumption.</p>
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5.Green Procurement

CITIC Securities attaches importance to the implementation of green procurement. When purchasing products and services, we give priority to equipment and materials that are reliable, energy efficient and environmentally friendly, and require suppliers to have ISO 14001 environmental management system certification.

Material Selection	Furniture Selection	Office Supplies
Selecting qualified materials that meet national environmental protection standards, providing relevant reports on environmental testing, and strictly managing the procedures for on-site inspection and acceptance testing.	Choosing qualified products that meet national environmental protection standards, and follows high environmental protection standards in the industry especially for the main materials, such as sheet materials, cloth, etc., to give priority to products with low carbon footprint labeling.	Where quality, price and other usage requirements are consistent, we give preference to products certified for environmental protection, such as products with the Sustainable Forest Certification (FSC).

5 FACILITATING
EMPLOYEE
DEVELOPMENT

CITIC Securities is committed to developing and nurturing a group of high-qualified talents with strong ethics, good working style, excellent business proficiency and recognition of the corporate culture, enabling the high-quality development of the Company and the industry and encouraging employees to grow with the Company.

(I) Diversified and Inclusive Workplace

CITIC Securities insists on fairness and diversity, strives to build a diversified talent system, and provides employees with an inclusive and comfortable workplace.

1. Employees' Rights and Interests

CITIC Securities strictly adheres to the Labor Law and Labor Contract Law and relevant laws and regulations that have significant impact for employment management. Such laws and regulations require the Company to recruit employees in a fair and equitable manner and to enter labor contracts with employees that specify the duration of employment and the reasons for termination. These laws and regulations also require the Company to determine wage distribution method and wage level according to law, pay employees on time according to law, and guarantee workers' rights to take rest and leaves. In accordance with the requirements of laws and regulations, we have formulated internal rules and regulations such as the Measures for the Administration of Labor Contracts and the Attendance Management to standardize and carry out the protection of human rights of employees.

The Company manages the recruitment, appointment, compensation and benefits, training, promotion, termination and retirement of our employees without any distinction as to race, ethnicity, place of origin, gender, age, marital status, appearance, etc. We have also clearly stipulated in the Company's internal system documents that the Company shall respect employees' rights and interests, care for disadvantaged groups, prohibit child labor, eliminate all forms of forced labor and employment discrimination, etc., and implement equal rights at work.

The Company sets up a compensation structure of equal pay for equal work. The starting salaries of all positions in CITIC Securities and its subsidiaries shall be not lower than or significantly better than the national and local basic salary standards. Employee salary management is based on the principle of fairness and reasonableness, without any difference due to gender or other factors.

The Company is fully explaining the working rules, personnel management, employee compensation and benefits, etc. to all employees, including directors, and to new employees in the orientation training. We also conduct employees' rights and interests training for all employees on a regular or occasional basis. As at the end of the reporting period, the Company had no incidents of employee discrimination or employment of child labor.

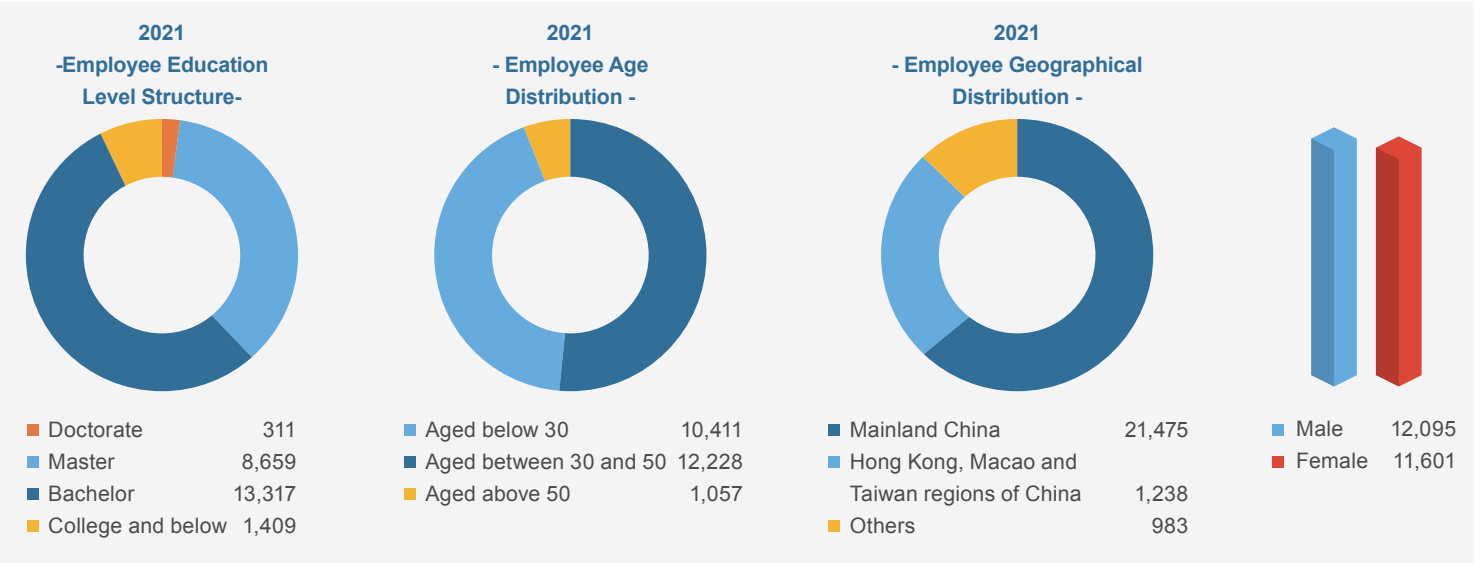
The Company is committed to building a gender-friendly work system and work environment. We pay attention to the challenges or difficulties that female employees may face in the workplace and provide necessary support for them. We set up baby care rooms in our offices, actively implement policies such as Regulations on the Working Scope Banned for Female Employees and other policies, and grant marriage leave, maternity leave and breastfeeding leave in accordance with relevant laws and regulations and pay the relevant labor remuneration in accordance with the law. Employees who return from maternity leave are also entitled to equal pay for equal work. We also have career development courses for female employees to facilitate their career development.

2. Talent Attraction and Retention

CITIC Securities values fairness and diversity. The differences in employee ethnicity, gender, age, skills, educational background and industry experience provide the foundation for the company to create a diverse and inclusive corporate culture. We are committed to attracting talents from various backgrounds and with different industry skills, building a diversified workforce system and providing employees with an inclusive, honest, caring and cooperative work environment to encourage employees to explore their potentials and create value.

To ensure the building of a high-quality talent pool, we recruit talented people from different disciplines including finance, information technology, mathematics and law, as well as those who master different languages, through a multi-channel talent recruitment process, thus implementing a diversified talent attraction and training policy.

As at the end of the reporting period, the Company had a total of 23,696 employees, of which overseas (including Hong Kong, Macao and Taiwan) employees accounted for 9.37%, and the male-to-female ratio was 1:0.96.



CITIC Securities provides employees with competitive salary benefits and incentive mechanisms. Employee compensation consists of salary, annual bonus, special reward and insurance benefits. The Company regularly refers to the surveys on salary and benefit levels conducted by professional bodies and the Human Resources Department to provide employees with market-leading remuneration and incentive mechanisms. We adopt the bonus incentive principle of sharing system and bonus is always linked to business performance of the Company. With the recognition of the fact that the profits are mainly directly made by the business departments, the Company distributes the bonus based on "Skewed toward Business Lines, Profitable Business Lines, and Important and Innovative Business Lines". In the meanwhile, the role and value of middle and back offices are also recognized. The Company has established a comprehensive welfare and security system, providing employees with basic social insurance, such as basic pension, basic medical care, unemployment, work injury, and maternity, and housing provident fund in accordance with the law. Meanwhile, we also implement the Group's corporate annuity scheme. The Company provides employees with comprehensive supplementary commercial insurance, including supplementary outpatient and emergency medical insurance, hospitalization and medical insurance, critical illness insurance, sickness death insurance, accident insurance and overseas travel insurance, etc.

The Company has formulated the Attendance Regulations to standardize the working hours and the various types of leave enjoyed by the Company's employees. The types of leave include national holiday, paid annual leave, personal leave, sick leave, occupational injury leave, marriage leave, funeral leave, maternity leave, maternity incentive leave, paternity leave, family planning leave and breast-feeding leave.

3. Employee Communication

CITIC Securities has set up departments for protecting employees' rights and interests, such as the labor union and employees' congress, and established democratic management mechanisms to collect and address feedbacks of employees on a timely basis. The Company also conducted investigation at the primary level, including seminars, to understand the development of businesses at the primary level, and collect opinions and suggestions from the primary level on the Company. The Company conducts employee satisfaction surveys annually and sends satisfaction survey questionnaires to all employees of various departments by means of information technology. The questions cover various aspects such as the working conditions provided by the departments, guidance given to individuals and for their career development, team collaboration and work atmosphere, care and respect given to employees by the departments, and opinions and suggestions of employees. Under the premise of anonymous scoring and the non-disclosure of individual specific ratings, the system automatically calculates the results of employee satisfaction surveys in various departments and integrates factors such as employee age, length of service and employee rank to form a multi-dimensional statistical analysis. In response to the results of satisfaction survey, employees' recognition of the Company and their suggestions, the Human Resources Department communicates with the persons in charge of various departments to sort out the feasibility of optimizing the human resources management of the departments, so as to create a working atmosphere of efficient collaboration and satisfaction of employees.

The Company has set up a variety of communication and complaint channels for employees to keep abreast of employees' demands and understand the Company's dynamics or problems in the management. At the same time, we require the complaint investigators to maintain the confidentiality of the details of the complaint and the persons involved in the investigation and promise that all complaints will be dealt with in an appropriate manner and that no person involved in the complaint will be subject to retaliation or harm during or after the process.

4. Employees' Health and Safety

CITIC Securities regards protecting the safety and health of employees as the fundamental responsibility to employees. The Company strictly abides by the requirements of the Labor Law and Fire Protection Law, and other laws and regulations, establishes and improves the occupational safety and health system, earnestly implements the national occupational safety and health regulations and standards, and conducts occupational safety and health education for workers. Under the policy of safety first, prevention first and comprehensive management, the Company has established CITIC Securities Co., Ltd. Fire Management Regulations, CITIC Securities Co., Ltd. Security Management Regulations, CITIC Securities Co., Ltd. Tenants and Visitors Management Regulations, CITIC Securities Co., Ltd. Office Building Item Entry and Exit Regulation and other related rules and regulations. Adhering to the security work concept of “Civil Defence, Physical Defence, and Technical Defence”, the Company comprehensively strengthens various security measures to ensure the absolute safety of operations. The Company has also established a Security Leadership Group and assigned the safety officer for each department to carry out various safety work, and comprehensively covers the safety tasks within the Company.

Fire safety is an important part of production safety. During the year, the Company carried out several fire safety inspections and strictly implemented various safety management measures, carried out fire drills and fire extinguisher practical training for employees, and sent case tips and fire safety knowledge with the help of multimedia channels to enhance employees' fire safety awareness and emergency response capability in an all-round and multi-level manner.

The Company is concerned about the routine pandemic prevention requirement, actively cooperates with the implementation of preventive and control measures, reduces cross-province movements and gatherings, and formulates and strictly implements relevant management regulations for employees and outsiders during the pandemic, so as to safeguard the healthy and safe office environment for employees. The Company is well stocked with pandemic prevention materials and distributes them to employees in a timely manner to effectively maintain employee safety.

5. Employee Care

CITIC Securities has always been committed to creating a harmonious and healthy working atmosphere for its employees, creating a healthy and comfortable working environment, and striving to enhance their sense of well-being and belonging. We provide non-compensatory benefits to all employees, including employee medical examinations, commercial insurance, birthday care, holiday benefits, staff training, themed activities, various sports clubs, etc.

We pay more attention to the physical and mental health of our employees. On the basis of the original statutory insurance benefits and commercial insurance benefits, we have added personal accident insurance and overseas travel insurance with global coverage for all employees. We equip our offices with automated external defibrillators (AEDs) and conduct first aid training for staff to improve their ability to deal with health emergencies. This year, we continued to provide employees with consultation at dxy.com, psychological consultation and hold many health publicity and education events.

In 2021, the Company launched a variety of employee activities to enrich employees' work and life, while strengthening communication among employees, and enhancing team cohesion. We have achieved integrated management of clubs to improve the standardized management and efficiency of the clubs, and added dance, martial arts and the May Fourth Choir clubs to further enrich our cultural and sports activities, thus meeting the cultural and recreational needs of individuals.

Construction of CITIC Securities Martial Arts Club

Case

CITIC Securities martial arts club provides scientific and healthy exercise methods for employees of all ages. The activities are carried out in an all-round way through online and offline ways, including basic Tai Ji, enhancement of martial arts and karate. The club provides opportunities for employees to showcase their talent, enhances communication among departments, business lines and sub-branches, enriches their spare time and improves their overall quality.



Calligraphy and Painting Photography Contest of CITIC Securities

To review the centenary of the Communist Party of China of glorious development, inspire a sense of pride, responsibility, mission, team cohesion and creativity of employees, and demonstrate the style and spirit of CITIC Securities employees, CITIC Securities held a calligraphy and painting photography contest to stimulate employees' creative enthusiasm and attract a wider range of employees to participate in the event by collecting their blessings, calligraphy, painting and photography works. More than 2,500 paintings, 3,700 photography works, 2,200 calligraphy works, and 3,471 blessing videos were presented at the contest.



(II) An Open Platform for Development

Talent is the core element of enterprise and social development, and excellent talent is the driving force for the sustainable development of the enterprise. CITIC Securities continues to make greater efforts in all aspects of human resources management, strengthens the talent training system, optimizes the quality structure of its personnel, and creates an open platform for development for its employees.

1. Employees Performance Appraisal and Promotion

CITIC Securities has established a fair and reasonable performance appraisal, promotion, and employee complaint system.

To implement the corporate strategies and annual objectives and enhance organizational effectiveness, the Company regularly conducts performance appraisal of all employees and informs the corresponding employee of the result. Through a closed-loop performance management process of “setting targets at the beginning of the period, tracking and improving during the period, and reviewing and appraising at the end of the period”, the Company comprehensively consider factors such as the completion of employee indicators, 360-degree evaluation, daily behaviour, compliance performance and honesty, and issue assessment results to evaluate employees’ work performance within the year and assess employees’ annual work performance and assist employees in setting future career development goals. The results of the performance appraisal will be used as a reference for HR decisions in terms of performance bonuses, promotion and salary adjustments and talent development.

The Company establishes a scientific rank system and a scientific and reasonable promotion mechanism and provides equal development opportunities for all employees. We pay attention to the long-term performance of employees, and manage their promotion based on their length of service, personal performance, business development ability, management ability and other aspects of their performance in line with business needs. Employee compensation and benefits are also highly related to their annual appraisal and promotion.

The Company has a comprehensive employee performance complaint mechanism in place. According to the Performance Management Measures of CITIC Securities, if an employee does not recognize or accept the performance appraisal results, he or she may submit a written application to the Human Resources Department within the prescribed time. The Human Resources Department will verify the contents involved in the complaint, put forward handling opinions based on the investigation and verification, and give feedback to the complainant on the outcome of the complaint.

2. Employee Training

CITIC Securities focuses on talent development, continuously improves the training management system and process, optimizes the training curriculum system and teacher system, and strengthens the construction of online learning platform. The Company makes annual training plans according to the existing training system and in combination with business requirements every year and provides comprehensive or professional training courses for employees at different positions and levels, in order to help employees, achieve their own development and common growth of employees and the Company.

To cultivate international and professional talent, the Company encourages all employees to participate in various types of job-related professional qualification examinations at home and abroad. Employees who pass the examinations are supported financially by reimbursement of examination fees. At the same time, the Company organizes employees to actively participate in various training held by industry associations and regulatory bodies and reimburses the relevant learning expenses.

Joint Training

The Company maintains good cooperation with many renowned universities and professional educational and training institutions in China, aiming to provide comprehensive and multi-dimensional joint training programs for employees. For the training of middle-level management, we invite renowned professors of the Party School of the Central Committee of C.P.C and Renmin University of China to conduct training on party spirit and leadership; for the training of in-service management and back-up management, we have in-depth cooperation with CEIBS BUSINESS ONLINE to introduce courses in management knowledge and skills; and for the training of new employees, we collaborate with Chainshine Financial Training to teach professional knowledge in valuation modelling.

Management Training

The Company has launched the “Pilot Plan”, “Voyage Plan” and “Sailing Plan” for in-service management, through inviting overseas experts, professors from renowned universities in China, and senior lecturers from professional training institutions to expand the horizons of management, help them stick to their dreams and beliefs, and enhance their leadership. This year, we launched the “90-Day Turnaround Plan” course for newly hired management, which helped improve their comprehensive management capabilities through online and offline training.



“Voyage Plan” training course

Backup Management Talent Training

Aiming at the improvement of the comprehensive ability of backup management, the Company has launched the “Starting Plan” targeted at backup management through diversified training methods such as online learning, offline guided workshops, group project research, management potential assessment and personal development plan, mentor coaching and job-transfer training.



“Starting Plan” training course

Orientation Training for New Recruits


The Company attaches great importance to the training of new employees from on-campus recruitment. This year, on the basis of original framework, the Company optimized and formed a unique “54321” overall training system (“Five-level curriculum system”, “Four examinations”, “Triple teamwork”, “Two major challenges”, and “A growth profile”), which aimed to promote the comprehensive understanding of the Company’s management philosophy and culture among new employees, strengthen professional ethics and codes of conduct, enhance the learning of industry laws and regulations and risk management systems, understand the securities industry’s professional knowledge and corporate business, build a customer-oriented business awareness and help them grow rapidly into professional talent. At the same time, “Integration Plan”, a series of cloud live-streaming activities was held for interns, and each intern was provided with a dedicated tutor.



The General Manager presents the award to the winning team for the training of new employees from on-campus recruitment

Business Talent Development

The Company appreciates the establishment of a professional talent training system. In line with the Company’s strategy, we have created a training system and model that focuses on five core business lines regarding to investment banking, research, investment trading, financial technology and investment advisory, with emphasis on new employee development and driving mature employees by performance. From 2020 to 2021, the Company has held the “Investment Star” talent training program for two consecutive years to train and select outstanding investment and trading talent for the Company through a comprehensive training mode such as online basic knowledge learning and examination, thematic public courses, mock trading competitions, mentor coaching and final defense.



6 PERSISTING ROBUST OPERATION

CITIC Securities adheres to the principles of standardized operation, diligence and responsibility, customer first, and practices compliance management, prevents money laundering risks, attaches importance to honest practice, and provides customers with high-quality services. We improve suitability management, deeply promote investor education, and standardize supply chain management to safeguard the Company's interests and promote the Company's stable and healthy development.

(I) Standardized Operation

1. Governance Structure

CITIC Securities is committed to achieving and maintaining high standard of corporate governance. Pursuant to the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China and other relevant laws and regulations, CITIC Securities continuously improves the modern corporate governance structure, standardizes the internal governance framework, and actively creates sound internal and external environments for governance to effectively safeguard the interests of all shareholders and promote the healthy and steady development of the Company. CITIC Securities has established a corporate governance structure that separates the authorities of General Meeting, the Board of Directors, Supervisors Committee and Operation Management focusing on checks and balances. By doing so, they can perform their own duties within the scope of their respective responsibilities and powers to ensure the standardized operation of the Company.

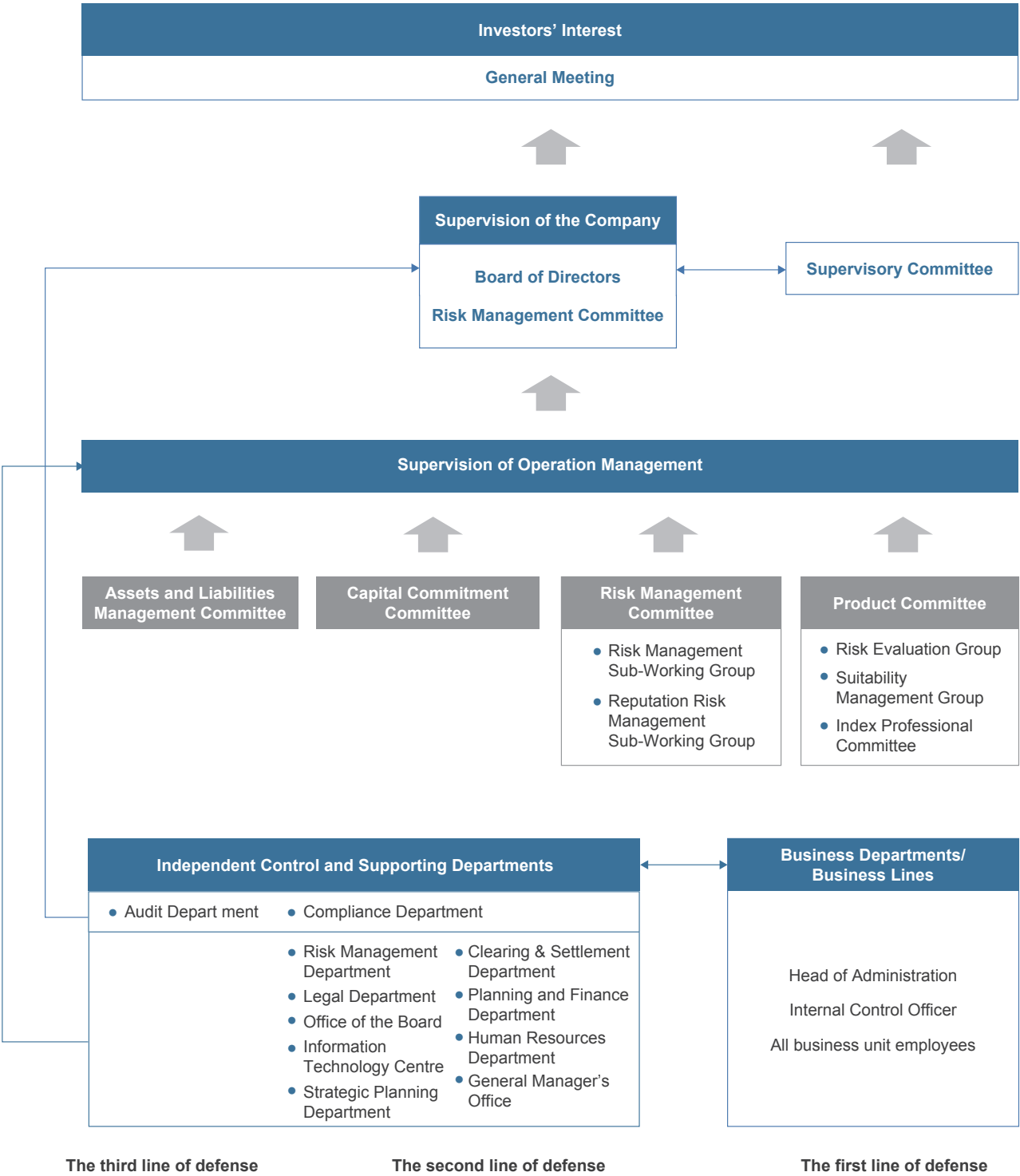
The Company's Board of Directors has established Risk Management Committee, Audit Committee, Related Party Transaction Control Committee, Development Strategy and ESG Committee, Nomination Committee and Remuneration and Appraisal Committee. As of the end of the reporting period, there are 6 directors of the Company, including 2 executive directors, 1 non-executive directors and 3 independent non-executive directors, as well as 5 supervisors, including 2 employee representative supervisors; the Chairmen of Audit Committee, Remuneration and Appraisal Committee, Related Party Transactions Control Committee and Nomination Committee were all independent directors.

Following the policy for board diversity, we select board candidates based on multiple diversified indicators, including but not limited to gender, age, culture, educational background, industry experience, technical ability, professional qualifications and skills, knowledge, years of service and others relevant factors. The Nomination Committee is responsible for reviewing the effectiveness and implementation of the policy for board diversity.

2. Risk Management

CITIC Securities always believes that effective risk management and internal control are critical to the successful operation of the Company. The Company monitors, evaluates and manages the risks related to finance, operation, compliance and law in the course of business by implementing a comprehensive risk management mechanism and internal control process.

The Company has established a complete and effective risk management system according to laws, regulations and regulatory requirements. The Risk Management Committee under the Board of Directors, the professional committees under Management, relevant internal control departments and business departments/business lines together constitute the main organizational framework of the Company's risk management. The Company has established a three-level risk management system pursuant to which the committees collectively make decisions and the internal control departments closely cooperate with business departments/business lines to manage risks with respect to deliberation, decision-making, execution, and supervision. At the level of business departments/business lines, three lines of defence in risk management are formed, i.e., the business departments/business lines bear the primary responsibility of risk management, internal control departments such as the Risk Management Department and Compliance Department bear the responsibility of the professional management of various risks, and the Audit Department bears the responsibility of follow-up supervision and evaluation.



In 2021, the Company focused on the optimization of the risk preference management system and issued the Risk Preference Management Measures of CITIC Securities Co., Ltd. and Risk Preference Statement 2021 of CITIC Securities Co., Ltd., which have been reviewed and approved by the Board of Directors, thoroughly utilising risk preference to drive business development. We actively evaluated risk management capability, optimized and improved risk management methods and countermeasures, and ensured the stable operation of the Company's comprehensive risk management system.

3.Compliance Management

Strictly abiding by the Securities Law of the People's Republic of China, the Compliance Management Measures for Securities Companies and Securities Investment Fund Management Companies and other laws and regulations, the Company formulated compliance management systems including the Regulations on the Integrity, the Information Barrier Procedures and the Professional Integrity Regulations in accordance with the regulations, to prevent compliance risks in anti-money laundering, professional integrity and duty performance, and provide a solid guarantee for the Company's robust operation.

In 2021, the Company organized the targeted management for the purpose of "strengthening management and consolidating foundation". In particular, the Company comprehensively re-inspected the business types and job responsibilities of each department by the method of "self-inspection, review and rectification". The Company strived to establish more detailed and complete systems and procedures to enhance the Company's internal control management capability.

To further cultivate compliance culture, the Company actively carried out compliance publicity and education. In this year, the Company organized on-the-spot warning education and training for the middle-level leaders and above of various departments and added a new course of CITIC Securities Case Study on Risk Warning Education to the online training program, which all staff were required to learn, effectively preventing staff from violating the code of conduct or committing crime. When onboarding, new employees are required to sign the Legal Responsibility Warning and Commitment Letter. A special chapter has been set out in the annual training of new employees to underline compliance with the law, honesty, integrity and other ethical requirements, foster compliance awareness practice philosophy in work among employees and enhance the awareness of compliance risk prevention.

4.Anti-money Laundering Management

CITIC Securities strictly abides by the Anti-Money Laundering Law of the People's Republic of China and the Rules for Anti-Money Laundering by Financial Institutions and other laws and regulations, which require the Company to build a sound anti-money laundering management system and effectively fulfill its obligation of anti-money laundering.

Based on the existing risk management system, in 2021, the Company further optimized the framework for anti-money laundering risk management at the corporate level, and established Anti-money Laundering Committee related to Investment Banking Committee, Wealth Management Committee, asset management business and financial market business, effectively mobilizing the initiative at the business level and propelling business departments to actively manage money laundering risks in costumers and businesses.

In 2021, the Company revised the Implementation Rules of CITIC Securities Co., Ltd. for the Confidentiality of Anti-Money Laundering Work, adding contents related to the management of anti-money laundering information security, and incorporating anti-money laundering data into the scope of anti-money laundering confidentiality. Specific regulations on protection of anti-money laundering information security have been formulated with respect to system management, user access, user management, data management, information inquiry, outsourced personnel management, etc., further strengthening the Company's awareness of confidentiality of anti-money laundering, and effectively promoting the security protection of the Company's anti-money laundering information.

In accordance with the Guidelines for the Self-Assessment Conducted by Corporate Financial Institutions on the Risks in Money Laundering and Terrorist Financing issued by the People's Bank of China, the Company revised and released the Implementation Guidelines for the Self-Assessment on Money Laundering Risks at the company level. Specifically, the basic principle, department in charge, assessment process and other key contents of risk assessment have been amended. Potential money laundering risks to which the Company is exposed have been identified in a more accurate manner through updated assessment measures, detailed assessment indicators and improved efficiency of self-assessment, accordingly improving the effectiveness of management and control.

In order to further standardize the investigation content and measures of the due diligence of the customers with high anti-money laundering risks and identify and manage customer risks in a timely manner, the Company formulated and released the Work Manual for Strengthening the Due Diligence of the Customers with High Anti-money Laundering Risks. The manual has refined the requirements for the due diligence of high-risk customers and required business departments to conduct comprehensive investigations and reviews on such customers with respect to the verification of basic identity information, fund source and transaction item analysis, negative information review and risk matters in order to effectively promote the implementation of the due diligence for high-risk customers.

The Publicity of Anti-money Laundering

Case



Anti-illegal Fund-raising and Anti-money Laundering Publicity to the Community by Nanlei Road Branch Office in Yuyao



Sichuan province-Mianyang operation department held anti-laundersing publicity event on campus



Shanxi - Anti-money Laundering Publicity themed with "Crack down on Drug-related Money Laundering and Maintain Financial Order"

5. Professional Integrity

CITIC Securities upholds the code of conduct featuring “observation of the law, honesty and integrity” in strict compliance with the code of ethics. The Company identifies and obeys relevant laws and regulations, such as the Anti-Unfair Competition Law of the People’s Republic of China and Regulations on the Integrity of Securities and Futures Operation Institutions and Employees, and resolutely implements the requirements on anti-commercial bribery, anti-corruption, the prevention and control against interests tunnelling, etc. During the reporting period, the Company did not occur corruption litigation cases concluded.

The Company has established a robust internal control system for integrity practice in accordance with laws and regulations. In 2021, according to the Detailed Rules for the Integrity of Securities Institutions and Employees, and the Code of Ethics for Securities Practitioners, the Company revised the Rules of CITIC Securities Co., Ltd. on Integrity, defining the responsibilities for the integrity leadership team and integrity practice team, as well as the content of internal inspection, financial discipline and reporting requirements, to promote internal control measures in a scientific and effective manner at all aspects including personnel structure, management responsibilities, daily operations and business activities.

The Company actively cultivates a culture and an atmosphere of integrity. The Company conducts integrity training and education for staff on an annual basis to cultivate a culture of integrity and ensure that staff are familiar with the relevant regulations on integrity practice. Upon staff’s onboarding, transfer, and promotion, they are fully informed of the requirements for integrity practice and required to sign the Letter of Commitment to Integrity. In 2021, the Company rolled out a series of new online courses of “integrity practice training” for the onboarding training for new staff, the training for compliance personnel and the compliance training for all staff. The Company regularly releases updates on regulatory rules and warming cases via its publicity platforms including intranet and WeChat public account. The Company released holiday reminders on integrity before holidays, such as May Day, Dragon Boat Festival, Mid-Autumn Festival, and National Day, reminding staff of their own behaviour and strictly abide by the bottom line on integrity risk prevention.

The Company has established a mechanism for complaints and whistle-blowers protection to provide effective channels for internal and external stakeholders’ participation in the Company’s compliance management. The Company has formulated the Employee Compliance Code and the Customer Complaints and Reporting System, which respectively stipulate the rules for internal whistleblowing and for reporting on violations of the Company and its employees identified by clients, and potential compliance risks, forming a management mechanism consisting of prevention, in-process control and follow-up accountability, with the entire business process covered. The Company has set up a special whistleblowing hotline and an e-mail address. Investigation will be carried out as soon as a report is received with the whistle-blowers strictly protected. In case of any retaliation against whistle-blowers, relevant personnel will be held accountable in a serious manner to safeguard the legal rights and interests of whistle-blowers and further maintain the channels for supervision and whistleblowing.

6. Protection of Intellectual Property

Strictly complying with the Advertising Law of the People’s Republic of China , the Trademark Law of the People’s Republic of China, the Copyright Law of the People’s Republic of China and other laws and regulations related to intellectual property, the Company has formulated a series of regulations, including the Intellectual Property Management Measures of CITIC Securities Co., Ltd. (Trial), Trademark Management Measures of CITIC Securities Co., Ltd. (Trial), etc., which clearly stipulate the administrative departments and responsibilities of relevant intellectual property rights, as well as the ownership, exercise and protection of rights and interests, and designate the legal departments to instruct and supervise the implementation of the actual management.

7. Advertisement Compliance

In line with the Advertising Law of the People’s Republic of China and Interim Measures for the Administration of Internet Advertising, advertisers are responsible for the authenticity of the advertising content, and the advertisement publishers shall check the relevant certification documents and the advertising content according to the laws and administrative regulations. CITIC Securities strictly comply with the provisions of these laws and regulations and conduct strict examination and verification on the advertising content to avoid false publicity or misleading content, responsible for the authenticity of the Company’s advertisements and safeguarding the rights and interests of consumers.

8. Supply Chain Management

CITIC Securities always adheres to carry out the procurement work with the principle of fair, just and open. While focusing on our own sustainable supply chain management, we also guide suppliers to actively attach attention to environmental and social impacts, working collectively to achieve low-carbon and green supply management.

The Company has formulated relevant systems such as the Procurement Management System of CITIC Securities Co., Ltd., the Operation Rules of Procurement Management of CITIC Securities Co., Ltd., and the Information System Procurement Management Measures to integrate suppliers’ ESG risks into the daily management process and conduct systematic management of supplier admittance, supplier evaluation and so on.

In the all process of supplier admittance, we all comprehensively consider factors such as manufacturers’ scale, professional quality and experience, supply capacity, environmental and social management system certification, and attach attention to low-carbon suppliers or suppliers with high-quality carbon management capabilities.

Management Process for ESG-Related Risks of Suppliers

- Information Security Risk Management: The Company signs contracts and confidentiality agreements with selected suppliers, and also signs Information Security Confidentiality Agreements and Third-party Personnel Information Security Operations Notifications with on-site personnel
- Safety Risk Management: The Company signs the Safety Fire Protection Responsibility Letter with the project personnel and on-site outsourcing personnel to further clarify the safety fire protection responsibility
- Supplier Employee Rights Management: The Company signs promotion, salary, bonus and other terms with the shortlisted human outsourcing suppliers to protect the legal interests of outsourcing employees.
- Environmental Risk Management: Suppliers are required to obtain ISO 14001 environmental management system certification, and the suppliers with excellent performance in environmental and low-carbon management are preferred.

The Company has established a supplier evaluation system. After a supplier is included in the supplier database, we will carry out periodic evaluation and review on the supplier with respect to its product quality, service awareness, sustainable development, corporate reputation, and contract performance ability to distinguish high-quality suppliers. We have established a supplier exit mechanism for unqualified suppliers, to continuously optimize the supplier pool and guarantee the Company's procurement. Adhering to the cooperation concept of honesty and integrity, the Company has established requirements for the ethical performance of suppliers to strictly monitor and prevent all kinds of commercial bribery and bid-rigging incidents.

(II) Customer-Oriented

1.Suitability Management

Strictly abiding by the Securities Law of the People's Republic of China, the Administrative Measures on the Suitability of Securities and Futures Investors, the Guidelines for the Suitability Management of Investors in Securities Trading Institutions (Trial) and other laws and regulations, CITIC Securities enhances the obligation of the whole-process suitability management and constantly improves the internal management system.

In 2021, in accordance with the requirements of relevant laws, regulations and administrative measures, the Company revised relevant systems related to suitability management such as the Operation Guidelines for Identifying Professional Investor and the Implementation Rules for Investor Suitability Management of Wealth Committee. By doing so, the Company optimized the detailed standards for the process of professional investor identification, established an enhanced review mechanism for repeating investor risk assessments in the short term, strengthened unsuitability warning after the capability of bearing risks has been weakened in order to assiduously perform the obligation of sellers, and ensure that the legal rights and interests of investors are protected by complying with a series of suitability codes of conduct when selling products to investors. Meanwhile, the Company continuously carries out self-inspection on the suitability management of branches, requiring every branch to submit a self-inspection report and implement rectification. In addition, relevant trainings are provided for branches' compliance personnel and suitability management of business operations.

2.Investor Education

In addition to providing quality service, the Company is committed to further protecting investors' rights and interests. By effective education for investors, we provide proper knowledge of securities, funds, and futures to majority of investors, strengthening their awareness of risk prevention, lifting their ability of self-protection, advocating rational investment, and pushing forward the steady and orderly growth of the financial sector.

We plan, organize, and implement investor education activities via the Company's official website, mobile APP, WeChat public account, Investor's corner and bulletin boards in business halls and other online and offline channels. In 2021, in the investor education activities with the theme of by deepening the reform of the New Third Board (National Equities Exchange and Quotations) and setting up a Beijing Stock Exchange, the Company adopted various online and offline publicity measures with respect to issuance transactions, information disclosure, corporate governance, and suitability management to help investors timely and accurately grasp the background and significance of the establishment of Beijing Stock Exchange, and the institutional arrangements and operation mechanisms of Beijing Stock Exchange. A total of 111 publicity activities were carried out for this targeted education activity, with 8,146 beneficiaries from such activity.

While actively implementing offline activities, CITIC Securities simultaneously carried out online activities to expand the scope of investor education and publicity. CITIC Securities has released several articles and short promotional videos on the theme of investor education via its official accounts and video accounts, with a total scale of about 503,000 views.

Among such articles and videos, the Exemplary Case Manual for Prevention of Illegal Securities and Futures - "Rational Investment - Escaping Illegal Securities and Futures Traps" produced by the Company was awarded the second prize of the "Most Popular Investor Education Products" in Shenzhen jointly issued by Shenzhen Securities Association, Shenzhen Asset Management Association and Shenzhen Futures Association.



3.Customer Service

CITIC Securities devotes itself to providing high-quality, comprehensive, and professional services to its customers. To unify service standards and improve service quality, the Company has established a series of systems, processes, and specifications for various business line. According to the needs of various businesses, the Company has compiled the Compilation of Operational Business Regulations and Processes to standardize customer service procedures, staff business assessment and outlets management, effectively improving the service, and enabling efficient, high-quality and attentive customer service.

The Company has set up the centralized customer service center to provide clients with all-round standardized business operation services such as online business handling service, securities trading consulting and customer feedback collection. Relying on the Company's powerful information resources and research and development advantages, the services center constantly optimizes industry-leading customer voice and online interactive customer service platform, continues with business innovation, and creates an outstanding online business execution center in the securities industry.

The Company constantly pursues efficiency improvement and optimizes customer experience. In 2021, we further strengthened the informatization of various businesses and realized the platform-based, digital, and intelligent management of business processes. In the aspect of mobile account opening business, the one-way video question-and-answer mode for mobile account opening was launched to continuously improve the intelligent input guidance and the filling standard restrictions of APP, and reduce the repeated operation bounced of the account opening due to customers' misoperation and other reasons, with the business pass rate increased by more than 20%; the one-way video account opening process was adjusted to optimize a series of business processes, with business processing efficiency increased by more than 40%.

The Company attaches great importance to customer service work, obtains customers' feedback on services through various channels, continuously optimizes service processes and improves customer satisfaction. The Company's customer satisfaction rate was 99.14% for this year. The Company has established a customer complaint protection mechanism subject to coordination among multiple departments. The company follows closely the requirements of the complaint management system, specifies the responsible departments and persons for complaints handling, includes the assessment of the handling of customer complaints into the Company's compliance assessment system, and rewards and punishes the staff according to relevant measures, protecting the legitimate rights and interests of customers.

4.Information Security and Privacy Protection

CITIC Securities strictly obeys the Securities Law of the People’s Republic of China, Law of the People’s Republic of China on the Protection of Consumer Rights and Interests, Cybersecurity Law of the People’s Republic of China and other relevant laws and regulations that set out clear rules on protection of customers’ privacy. The Company adheres to the corporate information security policy of “Full Coverage, Prevention First, Classified Protection, Common Engagement and Continual Improvement”, and keeps confidential the accounts opened by customers according to law. The Customer Account Business Regulations and Operational Guidelines, the Implementation Rules for Data Security Management, Implementing Rules for the Investor Suitability Management in Brokerage Business (Trial) and other systems have been formulated, in addition to security awareness promotion, to ensure management framework, data processing, application and terminal services security, thus closely guarding customer privacy.

In 2021, in order to implement the key requirements of the Data Security Law of the People’s Republic of China, the Personal Information Protection Law of the People’s Republic of China and other laws and regulations, the Company reviewed the systems involved in collecting customers’ personal information, such as “CITICS E Investment Investment” APP and the website of customer transaction, updated the Privacy Protection Code, and issued a reminder on implementing the Personal Information Protection Law of the People’s Republic of China and strengthening the protection of personal information in order to standardize the management process of customer information privacy protection and guarantee customer information security. The Company continues to improve the data security management system and has formulated and released the Implementation Rules of CITIC Securities Co., Ltd. for Data Security Management. Focusing on governance, security and compliance, the Company has further clarified its organizational structure and functional division for data security management and established a sound mechanism for the life cycle management of data, which runs data security management throughout the data processing activities, to ensure information security, data security and compliance of the system and business processes.

The Company attaches great importance to the education and publicity of staff’s awareness of information security. In the current year, the Company conducted online trainings and exams on the Personal Information Protection Law of the People’s Republic of China for all staff and invited external lawyers for training on the impact of the Personal Information Protection Law on the businesses of securities companies and the response to the impact. A total of 30 internal and external training sessions on information technology and 6 training sessions on cross-departmental business were conducted in the current year to effectively enhance staff’s awareness of customer information protection and protect customers’ personal information security.

7 BUILDING A
HARMONIOUS
SOCIETY

CITIC Securities is committed to giving back to society to achieve harmonious co-existence and sustainable development. CITIC Securities pays attention to people’s livelihood, actively fulfils its social responsibilities, responds to national policies and development strategies, and benefits the public with financial services. CITIC Securities leverages business strengths and joins hands with the industry to grow together to empower national development with financial services, and enthusiastic support for social welfare undertakings, through donations to support education and poverty alleviation, committed to becoming a responsible and responsible corporate citizen.



(I) Promoting the Development of the Industry

CITIC Securities actively participates in industry exchange activities and explore the development trend of the industry, share the Company's research and work results with the industry, and promote the development of the industry.

Citic Securities Successfully Held an Innovative 2020 Annual Results Conference

In March 2021, CITIC Securities successfully held the 2020 annual results conference in the form of "online bilingual live broadcast + conference call + roadshow platform interaction". While releasing the 2020 operating results, the Company's senior management fully communicated with investors on topics such as capital market reform, industry transformation and innovation, and internationalization strategy, attracting nearly 220,000 investors to watch the live broadcast online.

At the same time, the CITIC Securities Performance Briefing fully demonstrated the corporate image in an innovative form and built an effective communication bridge between listed companies and investors, and won the "Best Practice Case of Listed Companies 2020 Annual Report Performance Briefing" award issued by the China Association of Listed Companies.



CITIC Securities 2020 annual results conference site



Won the "Best Practice Case of Listed Companies' 2020 Annual Report Performance Briefing"

CITIC Securities Won the Award for "Intelligent Investment Advisory Application"

In 2021, CITIC Securities' "Intelligent Investment Advisory Application Based on Intelligent Cloud Platform" project was successfully selected into the "National Smart Enterprise Construction Innovation Practice Case" sponsored by the China Enterprise Confederation.

By learning historical and real-time market data, market data, public opinion data, transaction data, etc., the intelligent cloud platform trains the machine to build investment portfolios, complete investment transactions, and realize intelligent investment and intelligent transactions. Investment and trading decisions are mainly completed by intelligent algorithms, and the machine will continue to learn and adjust strategies independently according to the market environment and account positions to adapt to the new market environment. CITIC Securities is committed to building an industry-leading artificial intelligence cloud platform, providing unified and open technical support such as algorithms, data, strategy components, and computing power for intelligent applications such as intelligent investment research, intelligent investment, intelligent investment consulting, and intelligent trading. Promote the digital transformation and technological innovation of the securities industry.

CITIC Securities "Intelligent Cloud Platform and Intelligent Investment Advisory Application" project won the awards

- China Enterprise Confederation
2021 "National Smart Enterprise Construction Innovation Practice Case"
- The 2nd NIFD-DCITS Fintech Innovation Case (2021)
of the National Finance and Development Laboratory
- China Institute of Communications
2021 Fintech and Digital Transformation Innovation Achievements
- Futian District, Shenzhen
The 2nd Shenzhen Futian District Xiangmihu Fintech Innovation Award,
And was included in the 《Xiangmihu Fintech Innovation Characteristics and Trend Report 2021》
- Top Ten Essays on Digital Transformation
of Securities Institutions and Securities Technological Innovation
by Securities Association of China

CITIC Securities "Intelligent Cloud Platform" Project Award List

Practice the Construction of Securities Industry Culture

CITIC Securities deeply understands the necessity of cultural construction in the securities industry, fully grasps the relevant requirements of industry culture construction, continues to improve the ideas and measures of cultural construction in the development of the Company, optimizes the quality of operation, shapes the brand image, and strives to play the exemplary and leading role of state-owned securities companies in the construction of industry culture. CITIC Securities was rated as a Class A company in the first cultural construction evaluation of the securities industry.

CITIC Securities Successfully Held the 2021 Plenary Meeting of the Securities Industry Cultural Construction Committee

Case

On December 16, 2021, the 2021 plenary meeting of the Securities Industry Cultural Construction Committee was held in Shenzhen. With the theme of "Building a Securities Industry Culture with Chinese Characteristics", the conference held active discussions on implementing new development concepts, preventing financial risks, and preventing the negative effects of capital. Zhang Youjun, deputy director of the Securities Industry Culture Construction Committee and chairman of CITIC Securities, put forward constructive comments on the securities industry culture with Chinese characteristics during the meeting.

(II) Financial Services Empowerment

Taking full advantage of its expertise, CITIC Securities empowers the country's economic development through its own professional financial services, assists rural revitalization, and promotes common prosperity by advanced financial services.

1. Empowering Rural Revitalization by Financial Services

During this year, CITIC Securities closely followed the national strategic direction, gave full play to its professional advantages, responded to the call of the state through financial means, supported the inclusive finance, and introduced the capital into the field of rural revitalization. The Company actively underwrites and issues rural revitalization bonds, supports the listing of enterprises on the Growth Enterprise Market, and issues asset-backed special plans. Among them, a total of 19 rural revitalization bonds and asset-backed special programs have been issued, with a total issuance scale of RMB 14.5 billion, and the Company's underwriting amount reached RMB 8.206 billion. In 2021, CITIC Securities successfully sponsored two companies in poverty alleviation areas to list on the A-share market, completed the refinancing of one listed company in poverty alleviation areas, and provided all-round and multi-level services to poverty alleviation areas through products such as medium-term notes and directional debt financing tools. Financial services, with a cumulative financing amount of RMB 7.010 billion.

Development of Rural Industrial Clusters Promoted by the "Insurance + Futures" Model

The “insurance + futures” model, as an innovative financial measure to support the development of “agriculture, rural areas and farmers” and serve the supply-side structural reform of agriculture, effectively solves the problem of price fluctuations of agricultural products, and is helpful for giving full play to the market price adjustment mechanism and promoting the development of rural industrial clusters and stabilizing farmers' income.

The Company actively responds to the national “rural service strategy”. In 2021, CITIC Futures actively cooperated with all partners to vigorously develop the “insurance + futures” business, invested a total of RMB4 million to serve “agriculture, rural areas, and farmers”, and provided protection against price risk for a total of 127,800 farmers, cooperatives and agriculture-related enterprises in more than 70 cities and counties in the autonomous region/counties of 17 provinces.

Among them, the peanut “insurance + futures” project successfully implemented in Zaozhuang City and Tengzhou City in Shandong Province, and Zhumadian City in Henan Province, developed a cooperation model with governments at all levels, financial enterprises, and real enterprises closely linked, helped farmers and agriculture-related enterprises understand the characteristics and functions of “insurance + futures”, promoted the successful execution of “insurance + futures” across the country, and made new contributions to the implementation of the country's agricultural transformation and upgrading, rural revitalization strategy and the strategy of invigorating the country through agriculture.

Financial Products for Rural Revitalization to Boost Economic Development

Actively responding to the national strategy of comprehensive rural revitalization, CITIC Securities made full use of financial instruments at different levels and played a role in investing the resources from capital market into rural revitalization. Since 2021, CITIC Securities has assisted several companies in issuing products aimed at rural revitalization, including corporate bonds for rural revitalization, special corporate bonds for poverty alleviation, and corporate bonds for green rural revitalization.

On 3 August 2021, CITIC Securities supported Hainan Agricultural Reclamation Investment Holding Group Co., Ltd. to issue a corporate bond for green rural revitalization, namely “21 Haiken V1” with a scale of RMB800 million and a coupon rate of 3.49%. This bond is the first corporate bond that combines environmental protection and rural revitalization in China. The funds raised are planned to be invested in projects relating to pollution prevention and emission reduction, comprehensive utilization of resources, green food supply and rural revitalization. It is an effective way to push forward financial innovation and green economy in Hainan Province. It is also a response to the overall national strategy and an important act of adjusting the industrial structure for the purpose of green and rural revitalization with capital allocation.

2.Diversified Wealth Management Services

CITIC Securities adheres to customer-centricity and provides diversified wealth management services. Focusing on the wealth needs of investors, we build a professional team of comprehensive wealth management services, provide investors with comprehensive financial products, services, and comprehensive solutions, and ultimately help investors to achieve wealth preservation and appreciation and other needs, so that the majority of investors Enjoy the development dividends of the capital market.

(III) Persevering with Social Welfare

1.Rural Assistance for Share of Development Achievements

In the current year, CITIC Securities actively responded to the central government's decisions and deployments of paired assistance, practised the concepts of innovative, coordinated, green, open and common development, consolidated the achievements of paired assistance, and promoted common prosperity. Under the solid leadership of the Company's Party committee, based on its professional expertise and advantages, the Company carried out various types of social welfare activities, such as assistance to students, the elderly, the disabled, patients and the poor, and actively participated in flood control and disaster relief, social welfare education assistance, consumption assistance, etc. Progress has been achieved in such activities, with a total of RMB50 millions of donation funds during this year. 99.32% of the donation funds have been put into use for successful completion of social welfare work.

Rural assistance actions and major achievements of CITIC Securities in 2021

Assistance Type	Actions and Results
Education assistance	CITIC Securities invested RMB7 million to support the construction of school dormitories in Jishishan County in Gansu Province receiving the targeted poverty alleviation, and took the lead in the teaching support, promoting intellectual assistance. CITIC Securities participated in the student assistance for Guyuan No. 1 Middle School and contributed a total of RMB3.05 million to help more than 2,700 students from poor families successfully complete their high school.
Consumption assistance	CITIC Securities and its subsidiaries, China AMC and CITIC Futures, spared no effort to promote poverty alleviation through consumption, with a total investment of RMB18.66 million. CITIC Securities has opened special market of “CITIC e-home” and “Aihuigou” to introduce high-quality products from the recipients under the paired assistance provide by CITIC Group and the Company.
Social welfare	CITIC Securities and China Foundation for Poverty Alleviation jointly established the “CITIC Securities Public Welfare Fund” and invested total start-up capital of RMB2 million to enlarge the scope of work and promote the professional level of social welfare work. China AMC donated 500 sets of child safety protection kit to Zhangbei County to protect the health and safety of children in poverty-stricken areas. CITIC Securities invested RMB24 million to support counties receiving the Group's targeted poverty alleviation, including Shenzha County in Tibet, Yuanyang County and Pingbian County in Yunnan, to improve local livelihood, infrastructure, and grass-roots Party building.
Social welfare donations	CITIC Securities and its subsidiaries, CITIC Futures, donated a total of RMB11 million for flood control and disaster relief and post-disaster reconstruction in Henan, and China AMC donated RMB3 million for livelihood and disaster relief supplies in the disaster-stricken areas in Henan, repaying the society with practical actions. CITIC Securities donated RMB1 million to support the post-disaster reconstruction and enhance the achievements of poverty alleviation in Xi County, Shanxi Province.

CITIC Securities Participated in the Social Welfare Action of Securities Industry for Promoting Rural Revitalization Case

CITIC Securities joined the “Public Welfare Action for Rural Revitalization by Securities Industry” as the initiator, signed the Initiator Agreement on Public Welfare Action for Rural Revitalization by Securities Industry, and pledged to invest RMB330 million in the first phase. Focusing on consolidating the achievements of the poverty alleviation with a theme of “One Company for One County”, the Company carries out professional services and social welfare activities for promoting rural revitalization and common prosperity. Besides, the Company is also committed to practising the concept of innovative, coordinated, green, open and common development, and voluntarily carried out various types of public welfare activities, such as assistance to students, the elderly, the disabled, patients and the poor, to perform corporate social responsibilities.

CITIC Securities Has Funded Hebei Guyuan No. 1 Middle School for Tenth Consecutive Years Case

CITIC Securities has been assisting the students of Guyuan No. 1 Middle School for the tenth consecutive year since 2012. It has invested a total of RMB3.05 million to improve the hardware and teaching environment of Guyuan No. 1 Middle School, helping more than 2,700 students from poor families successfully complete high school, among whom nearly 700 students were admitted to universities. This activity has become a traditional project of public welfare through which the Company's staff contribute their love and fulfil corporate social responsibilities, and it has also become a bridge between the Company and the students of Guyuan No. 1 Middle School, guaranteeing their healthy growth and all-round development.



Photo of Education Assistance

2. Organizing Overseas Social Welfare Activities

CITIC Securities International Chairman's Trust is committed to providing financial and human support to disadvantaged groups and communities in Asia, Australia, Europe and the Americas. With a core objective of reducing poverty, the trust fund provides grants to small and medium-sized NGOs in a range of sectors, including education, health and welfare, business and environmental enterprise, to fund quantifiable, sustainable projects.

In 2021, CITIC CLSA Securities and local social welfare organizations in Hong Kong made joint efforts to organize and participate in nearly 60 community service activities to fully support environmental protection and promote social harmony and inclusion, covering the fields of poverty alleviation and relief, anti-epidemic assistance, care for the elderly, diversity and inclusion, carbon footprint reduction, sustainable development and youth education. In addition, the Company encourages employees to actively participate in social welfare activities, give full play to business and professional advantages, and give back to the society with love and practical actions. In 2021, employees contributed more than 800 hours of service.

CITIC CLSA Securities was awarded the "Caring Company" 2021/22 by the Hong Kong Council of Social Service in recognition of the company's continued contribution to corporate social responsibility and building an inclusive society. This is also the eighth consecutive year that CITIC CLSA Securities has received this award.

3.Supporting Community to Against Covid-19 Epidemic

Facing the spread of the epidemic in many places, the Party Committee of CITIC Securities attaches great importance and rapidly deploys, in accordance with the Company's emergency plan for epidemic prevention and control, in unified command and hierarchical responsibility, under the premise of ensuring the health and safety of employees, ensuring the normal development of business, and striving to complete financial services with high efficiency and quality.

According to the relevant deployment, CITIC Securities branches in various places have made corresponding arrangements in strict accordance with the local government's epidemic prevention and control notice, and those who cannot work on site, informed customers in advance through official websites, mobile trading and online trading clients-end apps in the first time, and continued to provide customers with business handling and transaction services through various channels such as the Xin E tou APP, the new version of Zhixin and Zhisheng online trading client-end website.

On this basis, many branches have adopted the service model of "proactively greeting and showing concern to customers": in order to better meet the financial service needs of customers, Shenzhen Branch organized a number of online customer activities to solve the financial needs of nearly 1,000 customers; Jilin Branch focused on appeasing customer anxiety, actively solving customer difficulties, and protecting the rights and interests of investors; the Shanghai branch has set up a business emergency team to work in the company 7 * 24 hours a day through the implementation of the AB post system, which ensures customer service no-lacking and not out of place.

CITIC Futures, a subsidiary of CITIC Securities, has made a full emergency plan for the industry situation in which futures trading involves day and night trading, explored key facilities and key places, and dispatched personnel for key positions to the scene in 24 hours to ensure the normal operation of important links such as trading and operation, and fully meet the needs of customers for various financial services.

In areas where the epidemic situation is severe and epidemic prevention materials are tight, the local institutions of CITIC Securities gathered love and material resources in the first time to deliver materials to the frontline of epidemic prevention: Jilin Branch donated 8,600 disposable medical masks, 960 N95 masks and urgently needed instant food to the Fuqiang community in Changchun New District, where the epidemic prevention situation is more severe; Jiangsu Branch, after learning about the urgent need for medical masks, disinfectants, protective clothing and other medical supplies in Lianyungang City, timely allocated resources and donated more than 10,000 masks and related medical supplies to the local area.

CITIC Securities Went to the Frontline to Fight the COVID-19 Epidemic with the Community Case

At the beginning of 2022, in the frontline of community epidemic prevention in urgent need of human support, CITIC Securities quickly assembled a number of anti-epidemic volunteer service teams. After the outbreak of the epidemic in Shenzhen, CITIC Securities Shenzhen Branch immediately launched an initiative to participate in volunteer services to employees in the jurisdiction, and received a positive response, quickly set up an anti-epidemic team of more than 90 people, respectively, to participate in the volunteer service work of Lianhua Street and Huaifu Street; after the outbreak of the epidemic in Dongguan City, Dongguan Songshan Lake Business Department quickly organized two volunteer teams to participate in the large-scale PCR-testing work in the community; in Shandong, CITIC Securities (Shandong) Company's cumulative 39 volunteer teams supported street PCR-testing; after the city of Cangzhou and Langfang was sealed, the employees of the local opeartaion department of CITIC Securities took the initiative to assume the role of community service volunteers, distributing packages, ordering materials and answering residents' questions for their communities.



Photo of volunteer service team of CITIC Securities Shenzhen Branch

Appendix (I): Key Performance Indicators

1.Key Environmental Performance Indicators

In 2021, the data covers the head offices of CITIC Securities, CITIC Securities (Shandong), CITIC Securities International, GoldStone Investment, CITIC Securities Investment, CITIC Futures, China AMC and CITIC Securities South China.

ESG Indicators	Unit	2019	2020	2021
A1. Emissions				
Total GHG Emissions (Scope 1 and 2)	tonnes	23,630.65	26,912.66	27,593.65
Direct emissions (Scope 1)		667.35	633.55	743.20
Gasoline	tonnes	88.28	124.12	135.53
Diesel		31.15	28.41	28.15
Natural gas		547.92	481.02	579.52
Indirect emissions (Scope 2)	tonnes	22,963.30	26,279.11	26,850.45
Purchased electricity		22,963.30	26279.11	26,850.45
GHG emissions per square meter	tonnes per square meter	0.17	0.16	0.16
Hazardous waste	tonnes	49.65	1.15	1.58
Hazardous waste per capita	tonnes per capita	0.0109	0.0002	0.0002
Non-hazardous waste	tonnes	7.38	13.90	31.09
Non-hazardous waste per capita	tonnes per capita	0.0016	0.0019	0.0039

Note:

(1) Based on the business nature, the main emissions are greenhouse gases (GHG) produced by fuel and purchased electricity converted from fossil fuel.

(2) The Company's GHG inventory includes carbon dioxide, methane and nitrous oxide. Greenhouse gas emission is presented as carbon dioxide equivalent. It is calculated according to Baseline Emission Factors for Regional Power Grids in China (2019) released by Ministry of Ecology and Environment of the PRC, carbon intensity data from CLP Holdings Limited 2021 Sustainability Report and HK Electric Investments Sustainability Report 2020, and IPCC Guidelines for National Greenhouse Gas Inventories (2006, 2019 Edition) by the Intergovernmental Panel on Climate Change (IPCC).

(3) Hazardous waste from operation mainly includes used toner cartridges, ink cartridges, fluorescent tubes and waste lead-acid accumulators. Used toner cartridges and ink cartridges are collected by the printer suppliers for recycling, while used fluorescent tubes are replaced by the office property management company, who handles these tubes over to eligible recyclers. Waste lead-acid accumulators are disposed of by qualified vendors.

(4) Non-hazardous waste mainly includes waste electronic devices and office furniture, which are collected and disposed of by recyclers.

ESG Indicator	Unit	2019	2020	2021
A2. Use of Resources				
Total energy consumption	MWh	36,104.19	40,557.58	42,424.09
Direct energy consumption		3,281.23	3,075.08	3,624.47
Gasoline	MWh	360.63	507.03	553.63
Diesel		118.48	108.05	107.07
Natural gas		2,802.12	2,460.00	2,963.77
Indirect energy consumption	MWh	32,822.96	37,482.50	38,799.62
Purchased electricity		32,822.96	37,482.50	38,799.62
Energy consumption per square meter	MWh/square meter	0.25	0.24	0.25
Water consumption	tonnes	145,192.00	128,369.00	143,834.07
Water consumption per square meter	tonnes/square meter	1.02	0.89	1.04

Note:

(1) Energy consumption is calculated using the consumption of electricity, gasoline, diesel and natural gas and the conversion factors provided in the PRC national standard, General Principles for Calculation of Total Energy Consumption (GB/T 2589-2020).

(2) Water is sourced from municipal supply, and there is no issue in sourcing water for operation.

(3) Packaging data is not applicable.

2.Key Social Performance Indicators

Unless otherwise stated, the scope of data statistics in 2021 includes CITIC Securities Co., Ltd.

ESG indicator	Unit	2021
B1. Employment		
B1.1 Total workforce by employment type, age group and geographical region.		
Total number of employees on active duty	Person	23,696
By the parent company and subsidiaries		
Number of employees in the parent company (including brokers and dispatched employees)	Person	14,413
Number of employees in majors subsidiaries (including brokers and dispatched employees)	Person	9,283
Number of retired employees whose expenses are borne by the parent company and major subsidiaries	Person	441
By business category		
Business personnel	Person	13,683
Information technology	Person	1,250
Finance planning	Person	622
Administration	Person	310
Others (including liquidation, risk control, legal, compliance, supervision, audit, etc.)	Person	7,831
By gender		
Male	Person	12,095

ESG indicator	Unit	2021
Female	Person	11,601
By employment type		
Regular employees	Person	22,485
Brokers	Person	0
Dispatched employees	Person	1,211
By educational background		
PhD	Person	311
Master	Person	8,659
Bachelor	Person	13,317
College and below	Person	1,409
By age		
Aged below 30	Person	10,411
Aged between 30 and 50	Person	12,228
Aged above 50	Person	1,057
By geographical region		
Mainland China	Person	21,475
Hong Kong, Macao and Taiwan	Person	1,238
Others	Person	983
B1.2 Employee turnover rate by gender, age group and geographical region		
Total employee turnover rate	%	8.06%
By gender		
Male	%	8.21%
Female	%	7.90%
By age		
Aged below 30	%	10.20%
Aged between 30 and 50	%	6.56%
Aged above 50	%	4.35%
By geographical region		
Mainland China	%	6.89%
Hong Kong, Macao and Taiwan	%	18.90%
Others	%	20.04%

Note:

(1) The statistical definition of employee turnover rate is the employee voluntary turnover rate, excluding termination of employment relationship due to dismissal, retirement or death.

ESG indicator	Unit	2021
B2. Health and Safety		
B2.1 Number and rate of work-related fatalities occurred in each of the past three years		
Number of work-related fatalities in 2019	Person	0
Number of work-related fatalities in 2020	Person	0
Number of work-related fatalities in 2021	Person	0
Rate of work-related fatalities in 2019	%	0
Rate of work-related fatalities in 2020	%	0
Rate of work-related fatalities in 2021	%	0
B2.2 Lost days due to work injury		
Lost days due to work injury	Day	198
B3. Development and Training		
B3.1 The percentage of employees trained by gender and employee category		
By gender		
Male	%	100%
Female	%	100%
By employee category		
Percentage of trained management personnel	%	100%
Percentage of trained non-management personnel	%	100%
B3.2 The average training hours completed per employee by gender and employee category		
By gender		
Male	Hour	67.63
Female	Hour	67.63
By employee category		
Average training hours completed by management personnel	Hour	44.99
Average training hours completed by non-management personnel	Hour	68.34

Note:

The statistical scope of the data is the parent company of CITIC Securities, excluding branches.

ESG indicator	Unit	2021
B5. Supply Chain Management		
B5.1 Number of suppliers by geographical region		
Mainland China	-	783
Overseas (including Hong Kong, Macao and Taiwan)	-	23

Note:
The statistical scope of supplier data is the parent company of CITIC Securities.

ESG indicator	Unit	2021
B6. Product Responsibility		
Number of customers consulted	Pcs	1,224,428
Number of customer complaints received	Pcs	228
Number of Overall Customer Satisfaction Surveys Conducted	Pcs	389,791
Customer satisfaction	%	99.14 %

Note:
(1) The statistics scope of data is taken from the customer contact center platform and the intelligent online management platform, including brokerage business, custody business, asset management business, etc.
(2)The data is taken from the total quantity of complaints accepted by the 12386 CSRC hotline platform, regulatory agency referrals, customer service hotlines and branches.

Appendix (II): Environmental, Social and Governance Reporting Guide Content Index

Aspects	Content and Indicators	Index
Governance Structure	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	STATEMENT OF THE BOARD OF DIRECTORS
Reporting Principles	The following Reporting Principles underpin the preparation of an ESG report, informing the content of the report and how information is presented. An issuer should follow these Reporting Principles in the preparation of an ESG report: (1) Materiality: The threshold at which ESG issues determined by the board are sufficiently important to investors and other stakeholders that they should be reported. (2) Quantitative: KPIs in respect of historical data need to be measurable. The issuer should set targets (which may be actual numerical figures or directional, forward looking statements) to reduce a particular impact. In this way the effectiveness of ESG policies and management systems can be evaluated and validated. Quantitative information should be accompanied by a narrative, explaining its purpose, impacts, and giving comparative data where appropriate. (3) Balance: The ESG report should provide an unbiased picture of the issuer's performance. The report should avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader. (4) Consistency: The issuer should use consistent methodologies to allow for meaningful comparisons of ESG data over time	ABOUT THIS REPORT >Reporting Principles
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	ABOUT THIS REPORT >Reporting Scope
A Environmental		
Aspect A1: Emissions		
Aspect A1: Emissions	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	ACTING ENVIRONMENT-FRIENDLY > (I) Climate Change Response > (II) Green Operation
	KPI A1.1 The types of emissions and respective emissions data.	APPENDIXES > (I) Key Performance Indicators

Aspects	Content and Indicators	Index
Aspect A1: Emissions	KPI A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	APPENDIXES > (I) Key Performance Indicators
	KPI A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	APPENDIXES > (I) Key Performance Indicators
	KPI A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	APPENDIXES > (I) Key Performance Indicators
	KPI A1.5 Description of emissions target(s) set and steps taken to achieve them.	ACTING ENVIRONMENT-FRIENDLY > (I) Climate Change Response > (II) Green Operation
	KPI A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them	ACTING ENVIRONMENT-FRIENDLY > (II) Green Operation
Aspect A2: Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	ACTING ENVIRONMENT-FRIENDLY > (II) Green Operation APPENDIXES > (I) Key Performance Indicators
	KPI A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	APPENDIXES > (I) Key Performance Indicators
	KPI A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	APPENDIXES > (I) Key Performance Indicators
	KPI A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	ACTING ENVIRONMENT-FRIENDLY > (II) Green Operation APPENDIXES > (I) Key Performance Indicators
	KPI A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	ACTING ENVIRONMENT-FRIENDLY > (II) Green Operation APPENDIXES > (I) Key Performance Indicators
	KPI A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable
Aspect A3: The Environment and Natural Resources	General Disclosure Policies on minimizing the issuer's significant impact on the environment and natural resources.	ACTING ENVIRONMENT-FRIENDLY > (I) Climate Change Response
	KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	ACTING ENVIRONMENT-FRIENDLY > (I) Climate Change Response
Aspect A4: Climate Change	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	ACTING ENVIRONMENT-FRIENDLY > (I) Climate Change Response
	KPI A4.1 Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	ACTING ENVIRONMENT-FRIENDLY > (I) Climate Change Response

Aspects	Content and Indicators	Index
B. Social		
Aspect B1: Employment	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	FACILITATING EMPLOYEE DEVELOPMENT > (I) Diversified and Inclusive Workplace
	KPI B1.1 Total workforce by gender, employment type, age group and geographical region.	FACILITATING EMPLOYEE DEVELOPMENT > (I) Diversified and Inclusive Workplace APPENDIXES > (I) Key Performance Indicators
	KPI B1.2 Employee turnover rate by gender, age group and geographical region.	APPENDIXES > (I) Key Performance Indicators
Aspect B2: Health and Safety	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	FACILITATING EMPLOYEE DEVELOPMENT > (I) Diversified and Inclusive Workplace
	KPI B2.1 Number and rate of work-related fatalities.	FACILITATING EMPLOYEE DEVELOPMENT > (I) Diversified and Inclusive Workplace APPENDIXES > (I) Key Performance Indicators
	KPI B2.2 Lost days due to work injury.	FACILITATING EMPLOYEE DEVELOPMENT > (I) Diversified and Inclusive Workplace APPENDIXES > (I) Key Performance Indicators
	KPI B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored.	FACILITATING EMPLOYEE DEVELOPMENT > (I) Diversified and Inclusive Workplace
Aspect B3: Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	FACILITATING EMPLOYEE DEVELOPMENT > (II) An Open Platform for Development
	KPI B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	FACILITATING EMPLOYEE DEVELOPMENT > (II) An Open Platform for Development APPENDIXES > (I) Key Performance Indicators
	KPI B3.2 The average training hours completed per employee by gender and employee category.	APPENDIXES > (I) Key Performance Indicators

Aspects	Content and Indicators	Index
Aspect B4: Labour Standards	General Disclosure	FACILITATING EMPLOYEE DEVELOPMENT
	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	> (I) Diversified and Inclusive Workplace
	KPI B4.1 Description of measures to review employment practices to avoid child and forced labour.	FACILITATING EMPLOYEE DEVELOPMENT > (I) Diversified and Inclusive Workplace
	KPI B4.2 Description of steps taken to eliminate such practices when discovered.	FACILITATING EMPLOYEE DEVELOPMENT > (I) Diversified and Inclusive Workplace
Aspect B5: Supply Chain Management	General Disclosure	PERSISTING ROBUST OPERATION
	Policies on managing environmental and social risks of the supply chain.	> (I) Standardized Operation
	KPI B5.1 Number of suppliers by geographical region.	APPENDIXES > (I) Key Performance Indicators
	KPI B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	PERSISTING ROBUST OPERATION > (I) Standardized Operation
	KPI B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	PERSISTING ROBUST OPERATION > (I) Standardized Operation
	KPI B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	PERSISTING ROBUST OPERATION > (I) Standardized Operation
Aspect B6: Product Responsibility	General Disclosure	PERSISTING ROBUST OPERATION
	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	> (I) Standardized Operation > (II) Customer-Oriented
	KPI B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable
	KPI B6.2 Number of products and service-related complaints received and how they are dealt with.	PERSISTING ROBUST OPERATION > (II) Customer-Oriented APPENDIXES > (I) Key Performance Indicators
	KPI B6.3 Description of practices relating to observing and protecting intellectual property rights.	PERSISTING ROBUST OPERATION > (I) Standardized Operation
	KPI B6.4 Description of quality assurance process and recall procedures.	PERSISTING ROBUST OPERATION > (II) Customer-Oriented
	KPI B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	PERSISTING ROBUST OPERATION > (II) Customer-Oriented

Aspects	Content and Indicators	Index
Aspect B7: Anti-corruption	General Disclosure	PERSISTING ROBUST OPERATION
	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	> (I) Standardized Operation
	KPI B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	PERSISTING ROBUST OPERATION > (I) Standardized Operation
	KPI B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	PERSISTING ROBUST OPERATION > (I) Standardized Operation
Aspect B8: Community Investment	General disclosure	BUILDING A HARMONIOUS SOCIETY
	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	
	KPI B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	BUILDING A HARMONIOUS SOCIETY > (III) Persevering with Social Welfare
	KPI B8.2 Resources contributed (e.g. money or time) to the focus area.	BUILDING A HARMONIOUS SOCIETY > (I) Promoting the Development of the Industry > (II) Financial Services Empowerment > (III) Persevering with Social Welfare

Appendix (III): Task Force on Climate-Related Financial Disclosures

Level	Disclosure of Project Content		Remarks
Governance	Disclose the organization's governance around climate-related risks and opportunities.	a) Describe the board's monitoring of climate-related risks and opportunities	ACTING ENVIRONMENT-FRIENDLY >(I) Climate Change Response
		b) Describe management's role in assessing and managing climate-related risks and opportunities.	SOCIAL RESPONSIBILITY MANAGEMENT SYSTEM >(II) Social Responsibility Organizational Structure ACTING ENVIRONMENT-FRIENDLY >(I) Climate Change Response
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	SOCIAL RESPONSIBILITY MANAGEMENT SYSTEM >(I) Social Responsibility Management ACTING ENVIRONMENT-FRIENDLY >(I) Climate Change Response
		b) Describe the impact of climate-related risks and opportunities on the organization's business, strategy and financial planning	FOCUSING ON SUSTAINABLE FINANCE ACTING ENVIRONMENT-FRIENDLY >(I) Climate Change Response
		c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	We are evaluating the feasibility and plan of implementing climate change scenario analysis, planning implementation based on assessment in the future.
Risk Management	Disclose how the organization identifies, assesses, and manages climate-related risks.	a) Describe the organization's process for identifying and assessing climate-related risks	ACTING ENVIRONMENT-FRIENDLY >(I) Climate Change Response
		b) Describe the organization's processes for managing climate-related risks	ACTING ENVIRONMENT-FRIENDLY >(I) Climate Change Response
		c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	ACTING ENVIRONMENT-FRIENDLY >(I) Climate Change Response
Metrics and Targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	FOCUSING ON SUSTAINABLE FINANCE >(II) Improving Responsible Investment System ACTING ENVIRONMENT-FRIENDLY >(I) Climate Change Response
		b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	APPENDIXES (I) Key Performance Indicators
		c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	ACTING ENVIRONMENT-FRIENDLY >(I) Climate Change Response

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