

2022 | 中信证券 社会责任报告

2022 Social Responsibility Report



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ABOUT THIS REPORT

Introduction

This Report presents the activities and performance of CITIC Securities Company Limited (hereinafter referred to as "the Company" "CITIC Securities" or "We") in its economic, social and environmental responsibility in 2022.

Reporting Scope

Unless otherwise stated, this Report covers the performance of CITIC Securities, CITIC Securities (Shandong) Co., Ltd. (hereinafter referred to as "CITIC Securities (Shandong)"), CITIC Securities International Co., Ltd. (hereinafter referred to as "CSI"), Goldstone Investment Co., Ltd. (hereinafter referred to as "Goldstone Investment"), CITIC Securities Investment Co., Ltd (hereinafter referred to as "CITIC Securities Investment"), CITIC Futures Co., Ltd. (hereinafter referred to as "CITIC Futures"), CITIC Securities South China Company Limited (hereinafter referred to as "CITIC Securities South China"), China Asset Management Co., Ltd. (hereinafter referred to as "China AMC").

This Report covers the period from 1 January 2022 to 31 December 2022, 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"), the Environmental, Social and Governance Reporting Guide (hereinafter referred to as "ESG Reporting Guide"), issued by the Hong Kong Stock Exchange Limited (hereinafter referred to as "HKEx"), and the Guidelines for Environmental Information Disclosure of Financial Institutions in Shenzhen, issued by the Shenzhen Local Financial Supervision Administration.

Reporting Principles

The report has been prepared in accordance with the principles of "materiality", "quantification", "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 Issues" 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 set environmental objectives 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 "Climate Change Response".

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 Social Responsibility 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), Section 1 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 ESG reports 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 its subordinate ESG management team. The ESG Leadership Group reports to the Development Strategy and ESG Committee on the progress of the implementation of the ESG work at least once a year, and the Committee provides guidance and recommendations on the implementation of the work.

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. The Board had reviewed and provided necessary suggestions for the working achievements mentioned above.

During the reporting year, the Board had reviewed and discussed the establishment and progress for the environmental targets. The annual environmental targets set by the Company has been achieved, and other targets has made milestones for progress as planned.

Responding to the National "Dual Carbon" Strategy	CITIC Securities adheres to the concept of sustainable finance, carries out in-depth ESG, participates and supports the construction of carbon market, and pays attention to the development of innovative models of carbon market. The Company insists on being an active practitioner of responsible investment and green finance, continuously promotes the application of responsible investment strategies and deeply involves with the layout of ESG product innovative developments. Also, we constantly to expand green industry financing, green bonds and other businesses, and enhances the innovation of green financial products and services to help promote low-carbon transformation.
Serving Real Economy	CITIC Securities actively plays the role of the bridge between the real economy and the capital market, helps the high-level cycle of technology, capital and real economy. We guide the flow of financial resources to key areas, strengthen the business layout of new technologies and new industries, assist traditional industries in transforming to high-end, intelligent and green industries, and make financial contribution to the multi-dimensional development of real economy.
Promoting Rural Revitalization	CITIC Securities actively responds to the national strategy of rural revitalization, promoting common prosperity. Combining business with local realities, we focus on financial assistance, education assistance and industrial assistance, forming assistance concept and practice paradigm of rural revitalization with CITIC Securities characteristics, continuously cultivating new endogenous development momentum for the assistant region.

This 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 30, 2023.

ABOUT THE COMPANY

A white line drawing of a modern building with curved and rectangular sections, rendered in a minimalist style.

01

(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, with CITIC Group Corporation as its largest shareholder. The Company's business objective and vision are to implement national strategies, serve the real economy and promote common prosperity, and strive to become a domestically leading and internationally first-class Chinese investment bank most trusted by clients around the world.

CITIC Securities offers a wide range of financial services and products including securities, funds, futures, direct investments, equity funds, commodities. Through its fully licensed integrated operations, CITIC Securities supports the development of the real economy in an all-round way and provides various financial service solutions for domestic and foreign corporate institutional high-net-worth and retail clients. 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 significant scale advantages and is the first securities firm in China with assets of over RMB 1 trillion. It has maintained the No.1 ranking in the industry in major financial indicators for more than ten years in a row, and a leading position in the market in various businesses. It has accumulated extensive reputation and brand advantages in the domestic market and has won various awards from domestic and foreign institutions such as Asiamoney Financial Times, Forbes, Shanghai Stock Exchange and Shenzhen Stock Exchange over the years.

(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) Corporate Culture

Corporate culture is the spiritual pillar and driving force of sustainable development of an enterprise. An excellent corporate culture takes the comprehensive development of people as the core, takes the common vision of the enterprise as the guide, thus widely unites the consensus of employees, shapes the core values of the enterprise, integrates the advanced ideology and business philosophy into the enterprise development, motivates the enthusiasm, initiative and creativity of employees to the greatest extent, establishes competitive advantages and forges an evergreen foundation for the enterprise.

During our 27 years of development, CITIC Securities has taken on the mission of serving the country through financial services, boosted innovation, made tangible contribution, and thus formed a distinctive development path and corporate culture.

Mission	To help enhance capital market's functions, and facilitate high-quality economic development.	
Vision and Business Purposes	The company's vision is to become a domestically leading and internationally first-class Chinese investment bank most trusted by clients around the world. The company will practice the China's strategy, serve the real economy and create greater values.	
Core Values	<ul style="list-style-type: none"> ● Integrity: We are dedicated to serving the real economy and meeting the investment needs of the people. We hold ourselves accountable to the highest ethical and professional standards. We do the right thing. We adhere to the boundaries of financial services, the company's operations, employees' personal knowledge and capabilities. ● Innovation: We stay innovative while being focused on serving the real economy. Our innovations are guided with a client-serving mindset and keen market insights, enabling us to anticipate and adapt to the needs of our clients by delivering innovative solutions. ● Excellence: We aim high as the leader of the industry. We treasure the company's brand and reputation as our own lives. We devote ourselves into every piece of our work, adhering to the highest standards and strictest requirements. We pursue constant growth by leaps and bounds to build a foundation for sustained success. ● Sharing: We put people first, promote harmonious and mutually supportive relationships, and cultivate employees' creativity and efficiency. Relationships among employees, between front and back offices, as well as senior and junior level staff are treated with equality and respect. We share common growth with our clients, shareholders and partners. We compete with our peers and competitors fairly and harmoniously. We fully align our work with national strategies and macro policies. We live in harmony with society and nature, and fulfill our responsibilities in green finance and ESG responsible investing. 	
Characters	Pursue excellence, Dare to innovate; Be humble in life, Stay devoted to our work;	Respect the market, Face challenges head-on; Be diligent and prudent, Advocate simplicity and clarity.

(IV) Honors in 2022

>> Recognition from Rating Agencies

Morgan Stanley Capital International (MSCI) ESG Rating **upgraded to “BBB”**

2022 Climate Change Questionnaire of the Carbon Disclosure Project (CDP) **scored at B** at the forefront of the industry in China

Moody's ESG rating is **upgraded to “neutral to low” (CIS-2)**

>> Honors and Awards Received by the Company (Including Subsidiaries) During the Year

Security Company Social Responsibility
Golden Bull Award

Security Company Cultural Development
Golden Bull Award



China Securities Journal
2022 China Securities Industry
Golden Bull Award

Best Sustainable Financial Institution



Finance Asia

Best Practice ESG Investment Bank

Best Investment Bank in New Energy Industry



New Fortune
The 15th New Fortune Best
Investment Bank

Best ESG Practice Cases of A-Share-Listed
Companies



**China Association for Public
Companies**

Green Development Award



17th People's CSR Award

Best ESG Practice Listed Company



Golden Bauhinia Awards 2022

Sustainable Development Benefit Award



CAIJING Magazine
The 5th Caijing Evergreen Award

Top 100 Listed Companies by Value on the
Main Board



Securities Times
The 16th Chinese Listed
Company Value Evaluation

Top 100 ESG Listed Companies in China

The Most Influential Custodial Broker
Outstanding Culture Construction Case
Green Finance Broker
The Most Powerful Broker for Assets
Management



National Business Daily
Golden Tripod Awards 2022

Green Development Model



**Guangdong-Hong Kong-
Macao Greater Bay Area CSR
Practice List**

Subsidiary CSI was awarded 2021/22 Caring
Company Logo



**The Hong Kong Council of
Social Service**

- Social Responsibility Management
- Stakeholder Engagement
- Materiality Assessment

SOCIAL RESPONSIBILITY MANAGEMENT SYSTEM

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02




(I) Social Responsibility Management


1. Social Responsibility Management Concept

CITIC Securities takes the responsibility of responding to national strategies, serving the real economy and promoting common prosperity to actively fulfill its corporate social responsibilities in terms of sustainable finance, environment-friendly, employee development, robust operation and society contribution. The Company earnestly implements the new development concept and shares the fruits of development with the society, acts upon social responsibility ideas pertaining to climate change, helps promote the development of employees, the Company and public welfare, so as to create value for customers, shareholders, employees, society and other stakeholders.

>> Social Responsibility Management Concept



Social Responsibility Management Concept	Practices of the Year	2022 Key Performance
 Environment- friendly	<ul style="list-style-type: none"> Released the CITIC Securities Company Limited Environmental Protection Policy and CITIC Securities Company Limited Climate Change Policy, to optimize the Company's environmental management. CITIC Securities Beijing Headquarters Building had achieved its target of using 30% clean energy by purchasing green power. Strengthened waste management and realized 100% compliant disposal of hazardous waste. Promoted paperless office to save paper resources. Improved water management, monitored and managed water usage, and recycled part of water resources. 	Energy consumption per square meter 0.29 MWh Water consumption per square meter 1.00 tons Greenhouse gases (GHG) emissions per square meter 0.18 tons
 Employee Development	<ul style="list-style-type: none"> Released CITIC Securities Company Limited Human Resources Policy, and CITIC Securities Company Limited Whistleblowing and Whistleblower Protection Policy to refine the relevant policy system. Strengthened employee communication and carried out annual employee satisfaction survey. Created a unique Y-typed employee training system by integrating and optimizing the internal training system. 	Total total employees: 25,742 employees Proportion of female employees: 48.3% Employee training coverage: 100% Average training hours: 125.78 hours
 Sustainable Finance	<ul style="list-style-type: none"> Released the CITIC Securities Company Limited Environmental and Social Risk Management Framework and tightened risk management of key ESG factors. Released the CITIC Securities Company Limited Responsible Investment Statement, promoted ESG responsible investment strategy and application, ESG theme product innovation and practice. Actively participated in many ESG-related equity financing projects as well as the issuance and underwriting of ESG bonds. Supported the construction of the carbon trading market, developed products and services such as the credit risk mitigation, and took part in the design of various systems and standards. 	Investment in ESG bond and investment funds: RMB 43.4 billion. Total green investment: RMB 43.79 billion. Total underwriting amount of green bonds (include asset-backed securities): RMB 65.1 billion Total underwriting amount of overseas ESG bonds: USD 1.14 billion

Social Responsibility Management Concept	Practices of the Year	2022 Key Performance
 Robust Operation	<ul style="list-style-type: none"> Continue to improve data security and privacy protection related policies, strengthen data security protection capabilities, optimize protection strategies. Released CITIC Securities Company Limited Anti-Commercial Bribery and Integrity Policy to standardize the Company's integrity management. Released CITIC Securities Company Limited Supplier Code of Conduct to further standardize the management of suppliers. 	<p>Anti-money laundering training coverage: 100%</p> <p>Professional integrity training coverage: 100%</p> <p>Overall customer satisfaction rate: 99.4%</p>
 Giving Back to the Society	<ul style="list-style-type: none"> Organized and attended a number of ESG conferences to aid in the growth of sustainable finance. Leveraged professional advantages to provide financial services for rural revitalization and pension services. Encouraged indepth integration of finance and technology and actively developed an intelligent platform for investment and research. Provided financial and manpower support for a wide range of public welfare activities at home and abroad. 	<p>The social contribution per share is RMB 5.10</p> <p>Completed a number of 30 bonds that related to "agriculture, rural areas, and farmers", poverty alleviation, and rural revitalization in poverty alleviation areas, with a financing amount of RMB 38.2 billion</p> <p>Number of beneficiaries from the "insurance + futures" : 48,200</p> <p>Annual cumulative amount of external donation: RMB 55.97 million</p>

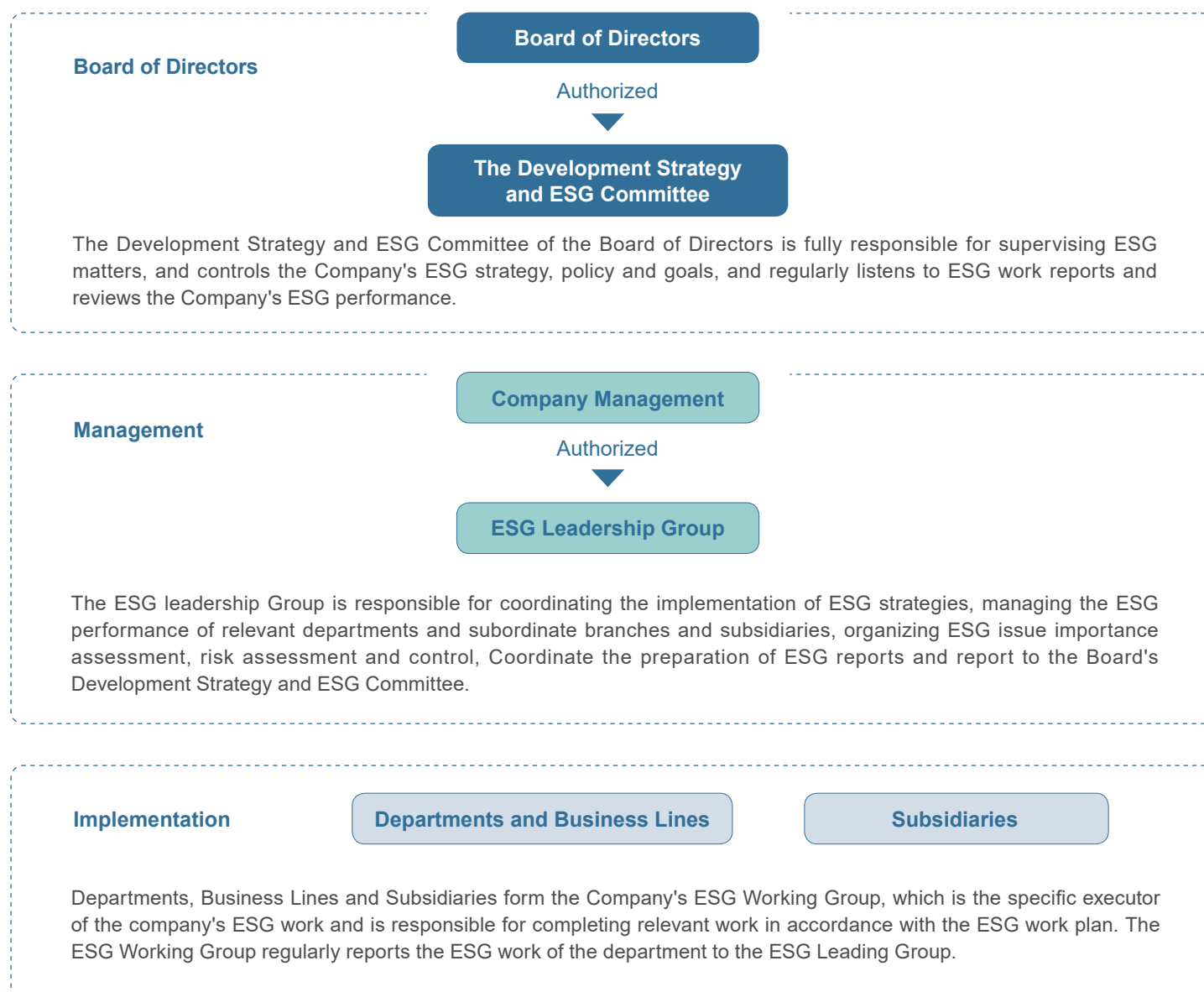
Note:

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.

2. Social Responsibility Management 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.



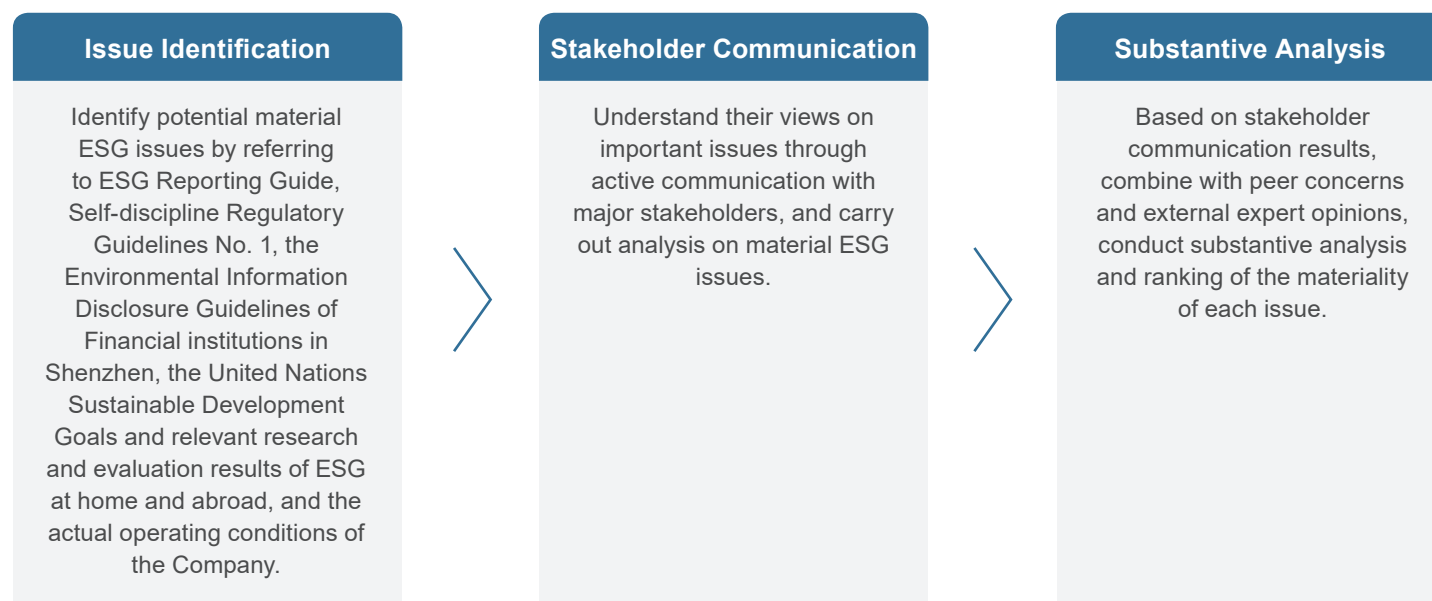
(II) Stakeholder Engagement

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 survey, customer complaint hotline	Investor education Data security and privacy protection Serving the real economy Fintech
Government and Regulators	Major meetings, policy consultation, event reporting, institutional investigation, official documents exchange, information submission	Compliance operation Investor education Serving the real economy Industry cultural construction Climate change
Shareholders and Investors	General meeting of shareholders, regular reports of enterprises, shareholder hotline, E-mail, official website announcement, SSE E-Interactive platform, face-to-face communication	Corporate governance Compliance operation Climate change Responsible investment Anti-corruption Industry exchange
Employees	Employee suggestion box, labor union, employee satisfaction survey, employee activity	Employee rights and interests Employee attraction and retention Employee health and safety Employee training and development Employee communication
Suppliers and Partners	Supplier inspection, communication meeting	Sustainable supply chain management Anti-corruption Climate change
Community and the Public	Public welfare activities and community interaction	Responsible Investment Social welfare Industry exchange Rural revitalization Climate change
ESG Rating Agencies	Annual reports, business correspondence	Carbon emission Climate change Green finance Responsible investment Employee training and development Data security and privacy protection Anti-corruption Corporate governance

(III) Materiality Issues

CITIC Securities maintains good communication with major stakeholders, systematically carries out the importance assessment process of ESG issues, comprehensively considers the company strategy and the appeals of stakeholders, and combines the opinions of external experts to identify the material ESG issues concerned by stakeholders and disclose them in the report.



Major changes in materiality for 2022

- Cultural construction is an important pillar of the healthy development of the capital market and also the connotation requirement of the high-quality development of the securities industry. In order to actively respond to the requirements of cultural construction in the securities industry, the "Industry cultural construction" issue is added.
- In order to actively respond to the national policy requirements and the development trend of financial digital transformation, the "Fintech" issue is added to show the Company's application and practice in the integration of fintech and securities business, digital service and product innovation.
- In order to respond to regulatory requirements and the focus of the international capital market, the original "Information security" issue is extended to "Data Security and Privacy Protection" to show the Company's practice in data quality management and privacy protection.
- In order to further clarify the focus and direction of the work, and more intuitively show the Company's strategies and actions to respond to national policies and comprehensively promote the target of rural revitalization, the "Serving the real economy" issue is expanded to "Serving the real economy" and "Rural revitalization".

The assessments of materiality, centers on two dimensions of “Materiality to CITIC Securities” and “Materiality to stakeholders”, are shown as follows. The management and progress of related issues will be described in detail from the aspects of principle, policy and regulations, management and practice, key performance and etc. in the following sections.



- **Managing Key ESG Risks in Business Activities**
- **Promoting Responsible Investment**
- **Supporting Sustainable Financing**
- **Supporting Carbon Trading Market Construction**

SUSTAINABLE FINANCE



CITIC Securities highly values the guiding role that financial institutions play in driving sustainable economic growth and national economic transformation, and integrates ESG concepts into all our businesses. We make continuous efforts to promote the research and practice of responsible investment and sustainable financing, as well as the construction of the carbon market, and promote the joint realization of economic, social and environmental benefits.

Key Issues:

Responsible Investment

Green Finance



03

(I) Managing Key ESG Risks in Business Activities

1. ESG Risk Management

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, in-process 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.

In 2022, the Company has established and issued the [CITIC Securities Company Limited Environmental and Social Risk Management Framework](#), stating that ESG factors should be fully considered in investment and financing business, including due diligence, risk-based review and approval, and follow-up management. We continue to optimize the risk management process.

2. ESG Due Diligence

CITIC Securities embeds 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.

>> Overview of the Key Points of CITIC Securities' ESG Due Diligence

Environmental Responsibility	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.
Social Responsibility	Focus on the Company's social responsibility and other key issues in the nation's social development, including human resources and supply chain, etc.
Corporate Governance	Focus on corporate governance compliance, including management compliance, business ethics, litigation and disputes, etc.

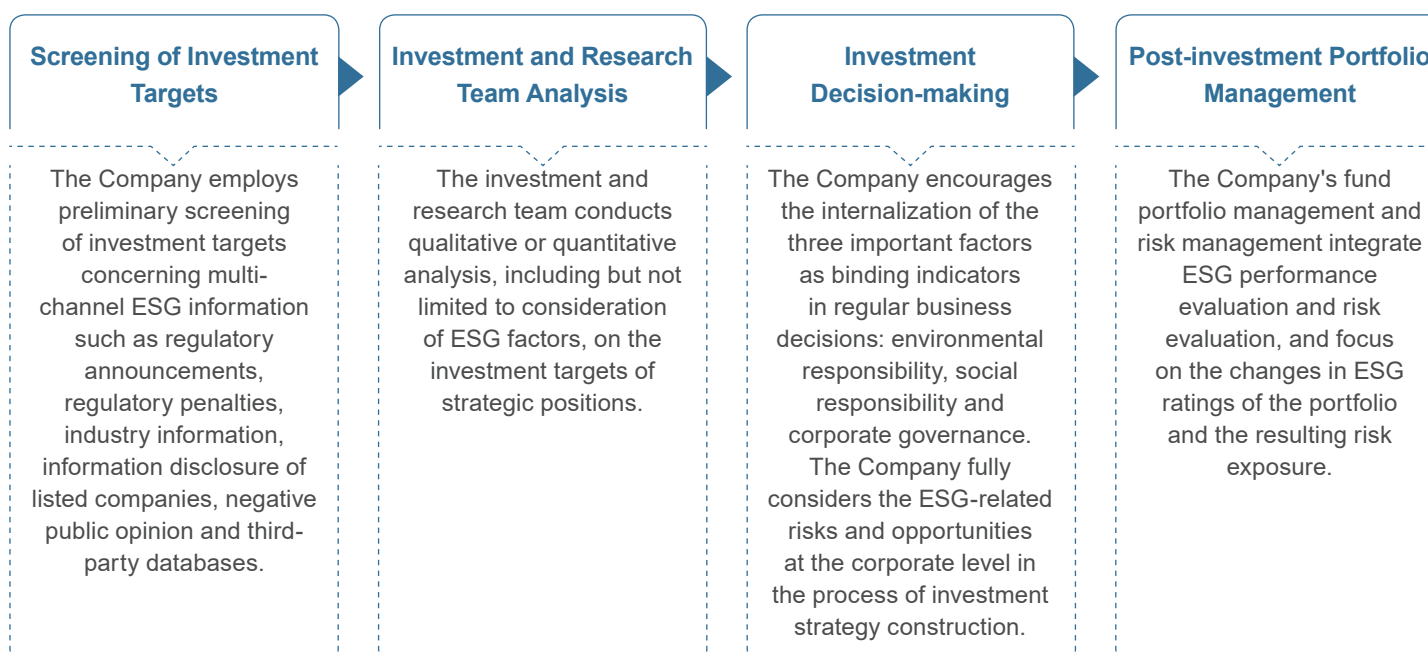
Business Area	ESG Risk Management Measures
Investment and Financing	<p>Conduct internal ratings on different credit entities and apply the results to various business management by considering the ESG factors of each enterprise. Implement capital investment requirements in strict accordance with regulatory requirements, and actively implement the national requirements for promoting energy conservation and carbon reduction in high-energy-consuming industries.</p> <p>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>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>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>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) Promoting Responsible Investment

CITIC Securities constantly improves its responsible investment. This year, the Company had published the [CITIC Securities Company Limited Responsible Investment Statement](#) to elaborate on the responsible investment's organizational structure, management, process, strategy application, research, industrial exchange, and etc., in order to continuously and systematically promote and practice responsible investment concept at the company level, and serve the national sustainable development strategy.

1. ESG Responsible Investment Process

In the investment process, the Company integrates ESG factors into the preliminary screening on investment targets, investment and research team analysis, investment decision-making, and post-investment management.



2. ESG Responsible Investment Strategies and Application

The Company has constructed corresponding responsible investment strategies for different asset classes and different business segments, including positive screening, negative prudence, impact investment, ESG integration and active ownership, etc., to incorporate the concept of responsible investment into its investment decision-making system, thus to improve the company's ability to deal with risks and seize opportunities to create long-term returns.

Responsible Investment Strategy	Strategy Application	Related Product Categories
Positive Screening	<p>In the selection of the underlying industries, the Company focuses on industries that are highly aligned with ESG concepts. The selection is also based on internal and external ratings, including ESG scoring and rating changes of the underlying investment.</p> <p>Our team studies the ESG attributes of listed companies when making equity-related investment decisions and focuses on listed companies with high ESG ratings from professional rating agencies.</p>	<p>Listed equity</p> <p>Fixed income</p>
Negative Prudence	<p>In the selection of investment targets, the Company conducts prudent assessments before making investment decisions on the investment targets with significant negative social and environmental impacts.</p> <p>The Company manages PE investments throughout the project process, carries out independent due diligence on projects including ESG factors, issues project risk evaluation opinions and conducts further risk evaluation on those with significant impact.</p> <p>China AMC excludes specific sectors and stocks that do not meet ESG criteria by developing sustainable investment strategies and related guidelines.</p>	<p>Listed equity</p> <p>Private equity</p> <p>Fixed income</p>
ESG Integration	<p>When making investment analyses and decisions, the Company takes ESG factors into consideration to thoroughly assess the investment targets' sustainability and their fulfillment of social responsibility.</p> <p>Our Asset Management Department evaluates and tracks the ESG performance of such investment targets throughout the process, and incorporates ESG considerations as a critical investment strategy into all business activities.</p> <p>For our fixed income business, we internally rate each credit entity based on ESG considerations, and apply the rating results to business management.</p> <p>In 2022, our subsidiary China AMC applied the investment concept of ESG integration in the active equity accounts of all cross-border investment assets with a fund size of over RMB 35 billion and issued a number of ESG-themed public funds with a size of about RMB 32 billion.</p>	<p>Listed equity</p> <p>Fixed income</p>
Impact Investment	<p>We are concerned about important issues such as China's future economic and social transformation and sustainable development, and actively participate in investing in assets for the purpose of rural revitalization and other areas.</p> <p>As at the end of December 2022, the balance of green bonds, rural revitalization bonds and etc. invested by the Asset Management Department reached the amount of RMB 31.392 billion. We participated in 8 rural revitalization bonds, with an amount of RMB 8.65 billion, and raised money for loans focusing on "agriculture, rural areas, and farmers", such as rural revitalization, green ecological protection, spring plowing preparation.</p>	<p>Listed equity</p> <p>Fixed income</p>

Responsible Investment Strategy	Strategy Application	Related Product Categories
Sustainability Investment	<p>The Company invests in green bonds and carbon-neutral bonds, and sets its sights on investment targets related to sustainable development, such as those in the environmental protection, clean energy, new energy sectors.</p> <p>In 2022, by participating in the private placement of listed companies, we provided financing support for high-quality enterprises in the fields of exchange stations, energy storage, new energy batteries and carbon emission management, with a total scale of about RMB 1.091 billion. Thus, we unleashed the potential of these industries to produce more values, under the guidance of the national “dual carbon” related policies.</p>	<p>Listed equity</p> <p>Fixed income</p>
Active Ownership	<p>We actively exercise our shareholder rights and communicate with the investees about ESG issues to direct them to make positive contributions to the environment and society and improve their ESG performance.</p> <p>The ESG team at our subsidiary China AMC undertook in-depth discussions with more than 40 listed giants on the overall situation of ESG in 2022. All listed companies have given positive feedback, and we helped some listed companies improve their ESG ratings from third-party agencies.</p>	<p>Listed equity</p>

For more details, please refer to [CITIC Securities Company Limited Responsible Investment Statement](#).

3. ESG Responsible Investment Practice

We adhere to responsible investment and green investment, committed to implementing responsible investment in business, and followed the responsible investment strategy when making decisions, while also paying close attention to assets with ESG attributes, including credit assets for the development of green finance, poverty alleviation and environmental protection projects, fund products using ESG factors as key stock selection criteria, and listed companies with high ESG scores from professional institutions.

>> ESG-themed Products

The Company actively develops strategy products in line with the ESG themes to provide diversified investment services for customers.

- On November 3, 2022, the first ESG/sustainable investment product of CITIC Securities Asset Management was successfully launched, with a total amount of about RMB 46 million as of December 31, 2022, and a minimum of **80%** of the net value invested in ESG-themed securities.
- Our subsidiary China AMC has issued three ESG-themed ETFs, including China AMC CSI New Energy Vehicles Industry ETF, China AMC CSI New Energy ETF and China AMC CSI Mainland Low Carbon Economy Theme ETF Fund.
- CITIC Securities cooperated with some commercial banks on green finance products, including ESG index-linked structured deposits and green finance-labeled wealth management products. As of December 31, 2022, CITIC Securities has served commercial bank customers with a total of **RMB 12.1 billion** of “green investment” product transactions.

The Company also fully utilizes ESG criteria to select investment targets with good credit quality, strong management and good ESG performance. While supporting sustainable economic and social development through investment, we also offer investors possibilities and options to engage in ESG investment. During the year, the Company has **18** green-themed products on sale with a total amount about **RMB 3.1 billion**.

>> ESG Product Innovation

CITIC Securities is committed to ESG product innovation and launched multiple innovative products in 2022.

- We have simultaneously launched the ChinaBond CITIC Securities ESG Selected Credit Bond Index and its linked beneficial certificates, with a focus on issuers' corporate governance performance to further explore the long-term investment value of high-quality enterprises.
- We have introduced Antai Return 888 beneficial certificate, the first carbon neutral index-linked beneficial certificates on the market, focusing on green investment and providing investors with a one-stop solution for green asset allocation.



Beneficial certificates can channel more social capital into green development. While serving enterprises and individual customers with their wealth management needs, we also practice the concept of ESG investment to make it convenient for domestic investors to participate in China's green bond market.

The Company will continue to explore the application scenarios of ESG index in new product areas, to attract more social capital to invest in green and low-carbon projects and serve for establishing a sound economic system for green, low-carbon and circular development. Our Fixed Income Department has worked with a great number of professional index companies and issued more than 20 index products covering pure debt and general asset classes, as well as about 800 beneficial certificates related to index products, providing investors with stable and predictable returns.

>> Responsible Investment Practice Cases

Case

China AMC YueXiu Expressway REIT Published China's First Public Fund ESG Report

China AMC YueXiu Expressway Real Estate Investment Trust (REIT), which was jointly established by CITIC Securities and its subsidiary China AMC, integrates the ESG concept into its fund management and asset operation while acting in a transparent and healthy manner. By strengthening communication with stakeholders, and actively seizing opportunities to propel green and sustainable development, it constantly improves the level of sustainable development, and creates greater investment value for investors and social value for the general public. On December 7, 2022, it released the first ESG report of public fund in China. The report details the ESG performance of its underlying assets in 2021 in an all-around way.

Case China AMC Established the First Domestic ESG Public Offering

China AMC, a subsidiary of CITIC Securities, became the first public fund company in China to sign UN Principles for Responsible Investment (UN PRI) in March 2017.

In March 2022, China AMC established its first domestic ESG public offering named "China AMC One-year ESG Sustainable Investment Fund". Considering top-down industry configuration and down-top stocks analysis, the Fund focuses on high-quality investment targets with sustainable development potential and positive externalities to the environment, society and stakeholders.

Case CITIC Securities International Takes Initiative to Portfolio Management

CLSA Capital Partners, a subsidiary of CSI engaging in alternative asset management businesses and acting as a signatory of UN PRI, is committed to comprehensively incorporating ESG factors into portfolio investment and helping portfolio companies manage ESG-related issues.

The Value-add focused Real Estate Funds of CSI through positive asset management, not only creates value in a socially and environmentally responsible manner but also gives extraordinary returns to investors. The Shipping Sector-focused Fund of CSI holds regular conference calls and quarterly management meetings to discuss operational issues, such as ESG policies, with portfolio companies.

CITIC Securities will put more effort into strengthening its sustainable development and the construction of a responsible investment system. We integrate responsible investment strategy with business practices and carry out training for employees on ESG concept and ESG investment. Moreover, we improve our ESG management system continuously by enhancing external communication and cooperation of ESG investment, thereby propelling sustainable economic and social development.

4. Responsible Investment Research

CITIC Securities conducts in-depth research on responsible investment through thorough analysis on trend in the industry and market, and prospective analysis of ESG risks and opportunities of industries and companies. Furthermore, we also build our own ESG scoring system and ESG thematic research system, and publish research and analysis reports. Therefore, we can comprehensively enhance our 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. The coverage of our ESG scoring system has been expanded to all A-shares.

- **Environmental indicators** – We use government regulation as the red line for enterprises and policy management rules to evaluate the compliance performance of their environmental behaviour, focusing on the impact of their production and operation on the external environment, including pollutant emissions, energy consumption and carbon emissions.
- **Social responsibility indicators** – Taking advantage of Chinese wisdom, we focus on the comprehensive development of the country and society and expand the concept based on the development stage of China, highlighting the responsibility of listed companies for the comprehensive development of the country and society, introducing the policy environment variables of the industry to which the enterprise belongs.
- **Corporate governance indicators** - Internal corporate governance is at the centre of our attention. We also try to evaluate the effectiveness of its governance structure based on our understanding of investment logic to enhance the certainty of indicators.

The Company actively promotes ESG thematic research. This year, we systematized the ESG research system and made breakthroughs in both depth and width, with more than 40 ESG-related research reports released. Focusing on how to practice ESG investment concept in the domestic capital market, we have formed profound thematic research series such as “ESG rating system”, “ESG investment strategy”, “ESG industry expertise and enterprise service” and “ESG review and periodic follow-up” to explore localized ESG investment strategies, and provided corresponding suggestions for investors. We used the results and advantages from the ESG research to provide ESG governance consulting services to five enterprises, so as to participate in promoting ESG governance and disclosure of listed companies.

Case

2022 ESG Investment White Paper

To continuously expand the Company’s influence in ESG research, CITIC Securities Research Department, as a research support institution, works with Zhong Ou AMC, Ant Financial Think Tank and Fidelity International to publish the 2022 ESG Investment White Paper. The White Paper seeks for domestic development prospects and investment opportunities of carbon neutrality/ESG by analyzing the investment logic of sustainable development, investment status of publicly offered funds and user profiles.



(III) Supporting Sustainable Financing

CITIC Securities continues to implement the national “dual carbon” strategy, practice the concept of green development, continue to promote sustainable financing development, and deeply explore and lay out the industrial value under the guidance of the “dual carbon” related policies. At the same time, we actively promote and participate in sustainable finance innovation, and guide the transformation of industrial structure and energy structure to green and low-carbon with capital allocation.

In 2022, CITIC Securities underwrote a total of **129** green bonds (including Asset-Backed Securities) with a financing amount of **RMB 273.7 billion** and an underwriting amount of **RMB 65.1 billion**, ranking first in the industry. As for overseas, CITIC Securities issued a total of **45** overseas ESG bonds, with a financing scale of **USD 17.37 billion** and an underwriting amount of **USD 1.14 billion**.

>> Investment Banking Business

CITIC Securities Supports Domestic and Overseas Equity Financing in Green Industries

- Exclusively sponsored Shanghai Conglin Environmental Protection Technology Company Limited to becoming the first listed company in the hazardous waste treatment industry on Science and Technology Innovation Board (STAR) Market, with a raised fund amount of **RMB 1.59 billion**.
- Exclusively sponsored lithium battery industry leader EVE Energy Co., Ltd. to complete its private placement, with a raised fund amount of **RMB 9 billion**.
- Assisted JA Solar Technology Co., Ltd., a global benchmark photovoltaic enterprise, to complete its private offering, with a raised fund amount of **RMB 5 billion**.
- Exclusively led and assisted GEM Co., Ltd., a global green enterprise leader, to successfully issue Global Depositary Receipts (GDRs) on the SWX Swiss Exchange, with a raised fund amount of **USD 381 million**.
- Helped Mingyang Smart Energy Group Co., Ltd., a leading wind power enterprise, issue GDRs on the London Stock Exchange (LSE), with a raised fund amount of **USD 707 million**.

Source: Wind Info and the Company's internal statistics

CITIC Securities Continually Expands the Scale of Domestic and Foreign Green Bonds

- Industrial and Commercial Bank of China (ICBC) 's green financial bonds are the first "carbon neutrality" green financial bonds of a commercial bank, amounting to **RMB 10 billion**.
- Baoshan Iron and Steel Company Limited's green corporate bond is the first green corporate bond for low-carbon transition, amounting to **RMB 500 million**.
- China Three Gorges Corporation's green exchangeable bonds for technology innovation are the first green corporate exchangeable bonds for technology innovation, amounting to **RMB 10 billion**.
- Jinmao Chemsunny Commercial Mortgage-backed Securities (CMBS) is the largest carbon neutrality CMBS, amounting to **RMB 8.7 billion**.
- China Chengtong Holdings Group Limited's green technology innovation bonds are the first green technology innovation bonds after the publication of China Green Bond Principals, amounting to **RMB 2.5 billion**.
- CITIC Securities was highly involved in Shenzhen offshore RMB local government bonds, amounting to **RMB 5 billion**, in which the 5-year blue bond was the first time Shenzhen government issued blue bonds in the offshore bond market.
- CITIC Securities helped Bank of China through its Frankfurt branch to price the bond based on the updated Sustainable Finance Common Ground Taxonomy Reporting, with an amount of **USD 500 million**.
- CITIC Securities helped Bank of China Paris Branch to issue a 3-year green bond on biodiversity theme, with an amount of **USD 300 million**.

Source: Wind Info and the Company's internal statistics

CITIC Securities Strengthen Product and Service Innovation on a Sustained Basis

- China Reform Holdings Corporation Limited's technology innovation corporate bonds are the first renewable corporate bonds for technology innovation of digital economy, amounting to **RMB 2.5 billion**.
- Sinochem International Corporation's Sustainability-linked corporate bonds are related to sustainability development, amounting to **RMB 3.5 billion**.
- SAIC GMAC's overseas green bonds, which are dim sum bonds and offshore green bonds in the auto financial industry, amounting to **RMB 1 billion**.
- Bank of China Johannesburg Branch's green bonds are green bonds of Chinese financial institutions in Africa, amounting to **USD 0.3 billion**.
- Bank of China Macau Branch's 3-year Secured Overnight Financing Rate (SOFR) green floating-rate bonds are the largest offering size of SOFR green floating-rate USD bonds in Asia, amounting to **USD 1 billion**.

Source: Wind Info and the Company's internal statistics

>> Fixed Income

The Company is keen to underwrite ESG-related interest rate products. In 2022, the Company underwrote **11** financial bonds from green policy banks, with a total of **RMB 71.77 billion** issued and **RMB 5.98 billion** underwritten. Besides, the underwriting performance came top in multiple issued bonds, which widely invested in key areas of national "dual carbon" strategy such as construction of low-carbon transport system, manufacture of clean energy equipment, eco-protection and restoration of Yangtze River Valley, green upgrading of infrastructure and support for national reserved forests and high-standard farmlands. In the issuance of the first green financial bonds by The Export-Import Bank of China in 2022, we won the bidding of **RMB 850 million** as a lead underwriter, accounting for **28%** of the issue size. Moreover, we take an active part in underwriting ESG-themed financial bonds issued by policy banks, covering themes including public utilities and other themes.

(IV) Supporting Carbon Trading Market Construction

CITIC Securities takes the lead to set up the professional team engaged in carbon investment and trading in the securities industry. Since then, we have completed the first carbon emission permit trading in the domestic industry, the first carbon emission permit repurchasing transaction and the first carbon emission right off-market swap transaction in China, and normalized trading in various regional carbon markets approved by the government, helping realize and improve the price discovery function of the carbon market, continually and actively participating in the construction of national carbon asset spot and futures markets.

Through continuous investment trading and market-making services, as well as derivative tool creation services, CITIC Securities has extensively cooperated with steel, petrochemical, building materials, chemical, forestry and new energy group enterprises, and assisted multiple government departments to promote climate investment and financing pilot and enhance carbon sink capacity. Our scale of carbon sink cooperation reserve is among the top in the industry. The Company focuses on the development of financial innovation models and business solutions in the carbon market, and pioneered to develop products and services such as carbon emission reduction investment and trading, carbon value-added trading, etc., to help entities reduce performance costs and reactivate carbon assets, which has been widely recognized by the market.

The Company actively participates in industry exchanges in the carbon market, promotes industry cooperation and standard formulation, and participates in the design of a number of core systems. The Company's innovation capabilities and system suggestions have been recognized by various relevant authorities, and won the "Shanghai Environment and Energy Exchange 2021 Excellent Member Award". We were also invited to join the working group on carbon emission trading standards and carbon derivatives of the National Association of Financial Market Institutional Investors, and actively participated in the construction of carbon derivatives market.

Case

CLSA Took the Lead in Participating in New International Carbon Market Transactions of HKEx

In November 2022, CLSA took the lead in participating in HK's new Core Climate platform transactions in the international carbon market. The successful launch of the platform marks the establishment of a sole international voluntary trading market for carbon credit products that can be settled in both HKD and RMB. Besides, it is an important practice of HKEx to seek multi-currency carbon trading, and will further consolidate HK's position as an international offshore RMB hub and a quality green financial center.



- Climate Change Risk and Opportunity Management
- Green Operation

CLIMATE CHANGE RESPONSE



Following the national strategic objective and global sustainable development direction, CITIC Securities identifies the impact of climate risks and opportunities on finance to promote the implementation of strategies responding to climate changes. CITIC Securities actively implements the green operation concept, minimizes the environmental impact on its operations, strengthens the company's adaptability to climate change, and takes concrete actions to build ecological civilization in an effort to promote living in harmony with nature.

Key Issues:

Climate Change

Carbon Emission

Water Use

Waste Management



04

(I) Climate Change Risk and Opportunity Management

1.Climate Change Risk Management

The Company incorporates climate change into its risk management system to further understand and manage environmental risks during business and operations and grasp opportunities therefrom. With reference to the disclosure framework of the Task Force on Climate-Related Financial Disclosures (TCFD), we, at the company level, actively identify, assess and manage the impact of climate change-related physical and transition risks for our operations and businesses. We assess the potential financial impact of identified key risks and opportunities and conduct the risk management and strategic planning in active response to climate change.

Governance	The Board of Directors Development Strategy and the ESG Committee oversee the climate risks including, management approaches, policies, strategies, targets, risks, opportunities, action plans, and other major decisions. The ESG Leadership Group and relevant functional departments implement specific works on addressing climate change.
Strategy	Continuously identify the short-term, medium-term, and long-term climate change impacts on Company's operations and business, and comprehensively consider the countermeasures in Company's development strategies. 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 climate change to the Company's operations and business with reference to the TCFD framework, develop relevant management response mechanism.
Metrics And Targets	Disclose greenhouse gases emissions data and main works and achievements in the green finance sector. Set corresponding metrics and targets for major climate risk and opportunities, including business and daily operation, to demonstrate the Company's energy-saving and carbon-control measures and achievements.

2. Identification of Risks and Opportunities

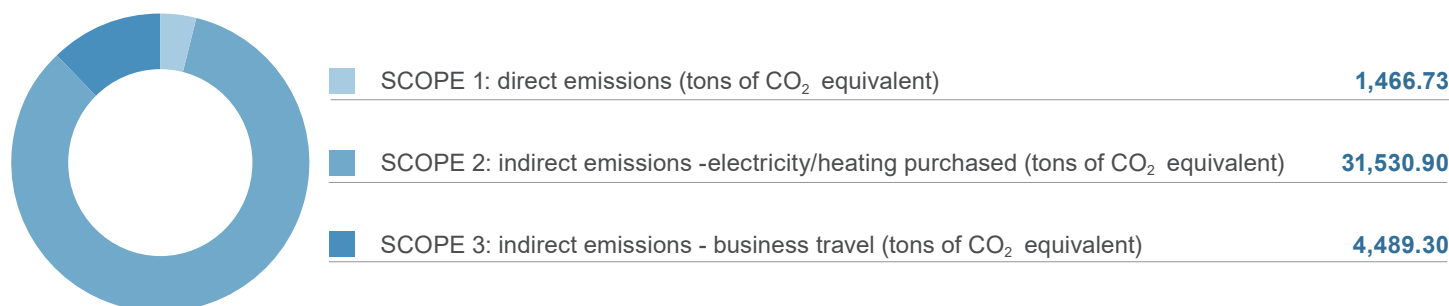
Risk	Description	Impact Cycle	Potential Financial Impact	Responses
Acute physical risk	The Company, its customers and the physical operating units of which the investment is made may be exposed to property losses or operational disruptions due to extreme weather events such as typhoons, floods, storms.	Short-term	Depreciation of fixed assets Decrease in portfolio value Decrease in operating income Increase in credit risk	Strengthen risk prevention measures against extreme climate disasters and conduct training on emergency rescue capabilities. Control climate risk in business activities. See subsection for details: Managing Key ESG Risks in Business Activities.
Chronic physical risk	Factors such as rising sea levels and increasingly extreme weather have a greater impact on specific sectors related to physical assets or natural resources, including the real estate, transportation, energy, forestry, agriculture and tourism, which may cause increased costs and disruption of services in these sectors, leading to an increased probability of default. The possibility of climate disaster increases as the climate gradually deteriorate, which may also affect the market valuation of some clients and investment targets.	Mid-term Long-term	Increase in operating cost Decrease in portfolio value	
Policy and regulatory risk	The operation of the Company, clients and investment targets can be affected by the formulation and release of environmental- and climate-related policies and regulations. Traditional industries, such as steel, petrochemistry, thermal power, etc., may face the risks of increase in operation costs and deterioration of financial situation. The Company, its customers and investment targets 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.	Mid-term Long-term	Decrease in portfolio value Increase in credit risk Decrease in operating income	Combined with regulatory requirements, pay attention on the external environmental impact on enterprises during the process of production and operation, focus on the environmental risk score of the projects in areas with high environmental risk in due diligence, and strengthen credit risk management.

Risk	Description	Impact Cycle	Potential Financial Impact	Responses
Market risk	The market preference may shift due to the policies of low-carbon transitions, of which capital would flow into the low-carbon sectors and outflow from the high-carbon sectors. Due to the structure change of market supply and demand, the Company, its customers and investment targets may face business risks such as lower product prices, rising raw material prices, and products that cannot meet the market demand. If customers and investment targets in "high pollution, high energy cost and resource consuming" industries and traditional high-emission industry fail to achieve low-carbon transformation, it will lead to losses in corporate capital and income and affect the interest interests of investors and creditors.	Short-term Mid-term Long-term	Depreciation of fixed assets Increase in credit risk Decrease in portfolio value	Consistently reinforce the management in climate change, environmental and social risk, incorporate ESG into decision-making investment system, and precisely grasp the risks and opportunities under ESG scope. Promote and participate innovation in green finance, focus on industries related to clean energy, and use capital allocation to guide the transformation of industrial and energy structures into low-carbon structure.
Reputation risk	As the society's concern about topics related to climate change and low-carbon gradually increases, failure to meet stakeholder expectations may lead to the impact on Company's reputation, thereby affecting the Company's income and development, institutional rating results and the public credibility.	Short-term Mid-term Long-term	Decrease in operating income Downgrade of related ratings Decrease in brand value Loss of investors confidence	See subsection for details: ESG Due Diligence, Promoting Responsible Investment, Supporting Sustainable Financing.
Technology risk	Energy-saving and environmental protective technology, such as renewable energy, new energy, etc., may result a major breakthrough due to the market transition to low-emission technologies. Therefore, traditional energy and production technology may be gradually eliminated, resulting influence on debt-paying ability and market valuation of the customers and investment targets with limited ability to upgrade technology.	Short-term Mid-term Long-term	Decrease in operating income Increase in credit risk Decrease in portfolio value	

Opportunities	Description	Impact Cycle	Potential Financial Impact	Responses
Market opportunities	<p>In order to implement the major development decisions of national "dual carbon", relevant policies, such as carbon neutralization, climate change investment and financing, etc., have been introduced in succession, which served as guidance for green finance business and market, and brought new development opportunities for the Company.</p> <p>The Company expands new potential to growth and supports customers' sustainable and low-carbon transformation by focusing on climate-friendly products and services to conduct business, researching and innovating climate-friendly products, actively developing green finance businesses such as green bonds, green equity financing, and green asset-backed securities, and providing financial services to customers in green industries such as environmental protection, energy conservation and clean energy.</p>	Short-term Mid-term Long-term	Increase in operating income Increase in portfolio value	<p>Actively promote and participate in sustainable finance innovation, and guide the transformation of industrial structure and energy structure to green and low-carbon with capital allocation.</p> <p>Support domestic and international green industry equity financing and ESG-related product underwriting, continue to expand the scale of green bonds, and strengthen the innovation of products and services.</p> <p>Actively participate in carbon trading, market industry exchanges and cooperation, and standard formulation.</p>
Adaptability	Keep up with the progress of global climate-related policies and development, increase the exchange and communication of climate-related risks and opportunities between industries, analyze the degree of market cooperation with policies such as carbon neutrality, carbon peaking, and green finance, and provide investors with reliable products and services.	Mid-term Long-term	Increase in reputation and influence Increase in operating income	<p>Publish ESG investment related research reports, hold sustainability forums, etc., and strengthen ESG research and industry exchanges.</p>
Enhanced efficiency of resources	Promoting energy conservation and emission reduction by building green office areas/data centers, improving resources and energy efficiency, and implementing paperless office, which help to reduce operating costs.	Short-term Mid-term Long-term	Increase in the value of fixed assets Decrease in operating costs	<p>Procure clean energy and expand the percentage of clean energy use.</p> <p>See subsection for details: Supporting Sustainable Financing, Supporting Carbon Market Construction, Green Operation, Promoting Industrial Development.</p>

3. Metrics and Targets

Based on the Company's statistics on historical data, our carbon emissions during operation mainly come from electricity use. The transition to renewable energy plays an important role in reducing our greenhouse gas emissions. During the year, the Company's carbon emissions were as follows:



The Company sets targets for mitigating climate change risks from both its business operations and its daily operations and actively review the progress of the objectives.

For Investment Banking, the Company targets to actively promotes the business related to underwriting and issuance of green bonds and green asset-backed securities, green equity investment and financing. In 2022, the Company underwrote a total of 129 green bonds (including asset-backed securities) with a total financing scale of RMB 273.7 billion and an underwriting scale of RMB 65.1 billion. The Company participated in several green equity investments and financing projects to help with the green and low-carbon development. For Asset Management, the Company continuously focused on ESG and sustainable investment and the scale of investment has steadily increased. By the end of the 2022 reporting period, the total investment in ESG bonds and investment fund assets reached RMB 43.4 billion with a year-on-year growth of 46.93%, and the scale of green investment reached RMB 43.79 billion with a year-on-year change of 39.98%. The Company actively developed ESG-themed strategy products and innovations in ESG field to attract more social funds to invest in green and low-carbon projects.

The Company also continuously manages climate change risk mitigation targets in its daily operations. In terms of energy conservation and emission reduction, the Company has set a target for CITIC Securities Beijing Headquarters Building of "achieving 100% clean energy use every year starting from 2030". In 2022, the Company has achieved the phased target of 30% clean energy use in the Beijing headquarters building through the procurement of green certificates, which is equivalent to reducing 5,824.3 tons of carbon dioxide. In terms of waste management, the Company required 100% compliant disposal of hazardous waste. In 2022, all hazardous waste generated by the Company has been disposed in compliance with the regulations. The Company actively promote the use of electronic conference materials, and gradually realize paper less office. In 2022, the Company continuously encourage various paper usage reduction measures and promoted the use of electronic documents in daily operations, meetings, training and other scenarios to reduce paper consumption. In terms of water management, the Company continues to strengthen water management to avoid water waste. In 2022, the Company through monitoring water usage, regular inspections of office buildings, recycling water in kitchen, and implementing wastewater recycling and transformation plans for water purification main engine in the Beijing headquarters building, to improve water utilization efficiency. In 2022, the Company's water consumption per square meter decreased 4% compared to the same period last year

Please see subsections for details: Promoting Responsible Investment, Supporting Sustainable Financing, Green Operation.

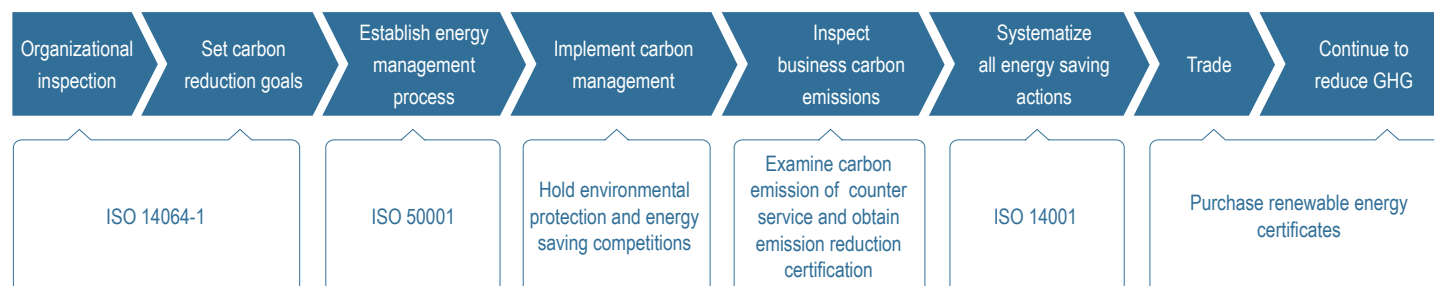
(II) Green Operation

CITIC Securities strictly abides the relevant laws and regulations such as the Energy Conservation Law and the Environmental Protection Law, and advocates low-carbon and environment-friendly operation and working style. We explore the potential of energy saving and emission reduction during office routine, and cooperate with the national and industry green development strategies with our own practices.

1. Energy Saving and Carbon Reduction

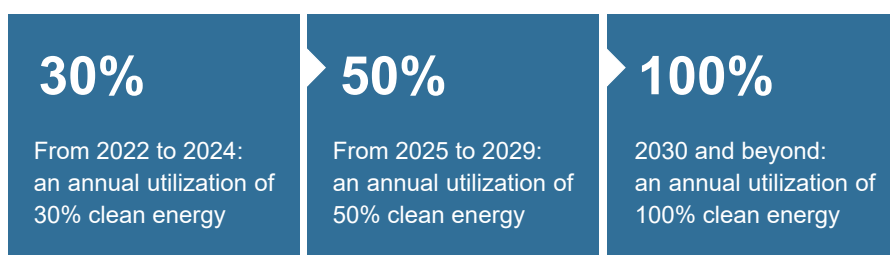
CITIC Securities continues to pursue the environmentally-friendly concept. To respond to the national goal of “carbon neutrality”, we are committed to reducing carbon emissions by taking energy-saving and carbon-reduction measures and utilizing clean energy, in an effort to minimize the environmental impact of our operations.

>> The steps in our overall carbon reduction efforts include:



Taking energy saving and consumption reduction as a priority, the Company, this year, has taken measures in multiple offices, in an effort to reduce energy waste and improve energy efficiency.

The Company gradually replaces traditional electricity consumption by purchasing clean energy to reduce Scope 2 carbon emission. This year, the Company achieved its target of using clean energy by purchasing green certificates. The phased targets for clean energy procurement in CITIC Securities Beijing Headquarters Building are as follows:



Case Energy Saving and Carbon Reduction in Office Buildings

In 2022, to implement energy-saving and emission-reduction measures, the Company replaced approximately more than **9,000** LED tubes at Beijing headquarters building. Due to more energy efficient than traditional fluorescent tubes, about **250,000 kWh** of electricity is expected to be saved per year.

In 2022, Shenzhen office building took various measures to identify and analyze the energy consumption data in a timely manner, including energy consumption big data comparison, time-of-day energy consumption management and tour inspection by persons and districts, with improvement plans proposed.

Case Low-Carbon Data Center

The Company has adopted the national grade-A standards for the construction of 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. To save energy and reduce greenhouse gas emissions, the data center has taken actions in all machine rooms.

This year, CITIC Securities added a section “Energy Consumption Management” in the Machine Room Management Policy (2022), which standardized energy consumption management and conduct regular energy consumption analysis. After comprehensively considering the objective condition and the safety requirements of machine room operations, the Company renewed the equipment in machine rooms to reduce energy consumption.

Cooling Tower Replacement

The Company has replaced and adopted more efficient cooling towers which approximately 200,000 kWh of electricity can be saved every year.

Installation of Refrigerator Frequency Converter

The Company has retrofitted the refrigerator with a frequency converter, which could reduce approximately 33% load of refrigerator units while maintaining the current temperature and flow of refrigerated water. It is expected to save about 330,000 kWh of electricity per year.

2.Saving Water Resources

The Company actively responds to the national call on water conservation and implements the related works. 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. As for the canteen, we recycle water and optimize water management to avoid water waste. 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

The Company remains committed to enhancing its solid waste management during operation. We strictly follow relevant national laws and regulations in storage, transportation, disposal and other processes, in a bid to prevent environmental pollution risks and improve waste utilization.

In 2022, the Company continued to launch the campaign of waste sorting and recycling through various means. Such measures, including placing trash cans and sorting bags, posting related marks and labels, setting up publicity boards themed on “waste sorting” and providing training on waste sorting, were taken to raise employees’ awareness of environmental protection and promote waste recycling.

Designated Staff

Assign a specialist to manage waste sorting in an all-around way, and arrange designated persons in each process for sorting and distribution in accordance with the requirements of waste sorting standards and disposal procedures.

Marks and Labels

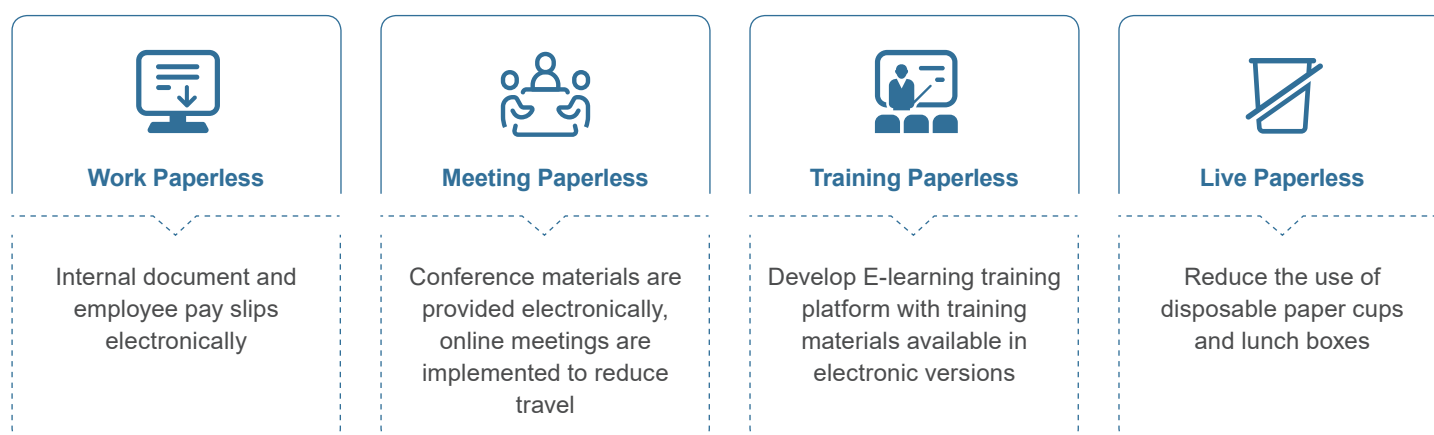
Properly set up waste sorting facilities, marks and labels to ensure the accurate sorting and efficient management.

Ledger Records

Set up a waste sorting ledger, and make statistics on daily waste distribution in strict accordance with the sorting standards, with records maintained.

4. Paperless Office

The Company promotes various paper usage reduction measures to reduce paper consumption and carbon emission through the use of electronic operations, online meetings and trainings, and the avoidance of disposable products as much as possible.



5. Green Procurement

The Company 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.



- Diversified and Inclusive Workplace
- An Open Platform for Development

FACILITATING EMPLOYEE DEVELOPMENT



Talent is the fundamental impetus for enterprise development. CITIC Securities is dedicated to fostering a diversified and inclusive corporate culture and providing a mature talent training system and appropriate career promotion channels for its employees. We encourage employees to grow with the Company and enable the high-quality development of the Company and the industry.

Key Issues:

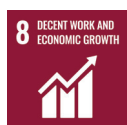
Employee Rights

Talent Attraction and Retention

Employee Health and Safety

Staff Training and Development

Employee Communication



05

(I) Diversified and Inclusive Workplace

Adhering to the people-oriented philosophy, CITIC Securities strives to foster a diversified and inclusive corporate culture, and provide employees with a safe and comfortable workplace.

1. Talent Attraction and Retention

The Company insists on fairness and diversity. We are committed to attracting talents from various backgrounds and with different industry skills to build a diversified workforce system. The diversity and complementarity of employee ethnicity, gender, age, skills, educational background and industry experience provide the foundation for the Company to create a diverse and inclusive corporate culture.

The Company is keen to build diversified talent recruitment channels. This year, we revised and issued relevant measures of campus and social recruitments to incorporate employee recruitment diversity into company policy. Through campus and social recruitments, we put emphasis on recruiting talented people from different disciplines including finance, information technology, mathematics and law, as well as those who master different languages, thus guaranteeing high-quality talent teams.

The Company is always committed to recruiting talented people. This year, the Company further optimized relevant processes such as candidate materials submission, CV screening and interview evaluation utilizing online platforms, so as to improve talents experience and the recruitment efficiency. Meanwhile, the Company focuses on the introduction of young talents. We continuously expand our publicity channels on campus recruitment and has held several campus recruitment activities, aiming to help students learn more about securities industry and strengthen our high-quality talent reserve.



By the end of the reporting period,
the Company had a total of

25,742 employees



Male to female ratio

1:0.94

Case

Campus Investment Star Mock Trading Competition

In order to help students gain insight into the securities investment trading market, the Company held the "Campus Investment Star Mock Trading Competition" that provided undergraduates with simulated trading. Job opportunities including mock interview, internship and school recruitment were offered to students who excelled in the competition. Therefore, the Company helps college students to get familiar with capital markets, and selects excellent investment trading talents in advance.

2. Employees' Rights and Interests

The Company 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 to avoid child labor and forced labor, and to enter labor contracts with employees that specify the duration of employment and the reasons for termination. If any violation of labor laws and regulations was found, the Company will immediately terminate the employment contract in accordance with the relevant laws and regulations. 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 also strictly follow the requirements of laws and regulations and the Core Conventions of the International Labor Organization to fully protect the rights and interests of our employees.

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. As at the end of the reporting period, the Company had no incidents of employee discrimination or force labor 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.

3. Employee Compensation and Benefits

The Company establishes a complete and reasonable employee compensation and benefits system, and provides employees with competitive salary benefits and incentive mechanisms. This year, we revised CITIC Securities Company Limited Employee Compensation Management Measures and CITIC Securities Company Limited Deferred Bonus (the Loyalty Bonus) Management Measures, further analyzing and optimizing the compensation principles, clarifying the scope of deferred bonus application and related rules, thus making the compensation management system more standardized.

The Company takes various measures to continuously optimize employee compensation management. Employee compensation consists of salary, annual bonus, special reward and insurance benefits. The Company regularly refers to the human resource report conducted by professional institutions and the Securities Association of China to provide employees with remuneration and incentive mechanisms in line with industry norms and the Company's strategy. 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 Front 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.

4. Employee Care

Focusing on humanistic care, the Company is always committed to 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 and various sports clubs.

The Company pays close attention to the physical and mental health of our employees, and provides statutory insurance benefits, commercial insurance benefits, and personal accident insurance and overseas travel insurance with global coverage for employees. The employee medical examinations are provided for all regular, dispatched and retired employees. We equip our offices and training centers with automated external defibrillators (AEDs) in Beijing, Shenzhen and Shanghai, and conduct training on the use of first aid facilities to improve employees' ability to deal with health emergencies.

The Company offers employees various means to consult about mental health issues. In order to protect employees' mental health, the Company launches the "CITICS E-Home" psychological consultation platform, sets up a psychological consultation hotline, and organizes online psychological course lectures.

In 2022, the Company held a variety of employee activities to enrich employees' work and life, strengthen communication among employees, and enhance team cohesion. The Company's labor union organized cultural and sports activities such as frisbee, calligraphy and painting, providing a platform to show staff talents while increasing communication opportunities for employees in different positions. To help employees build a healthy lifestyle, the Company continued to organize walking activities, aiming to release their work pressure and enjoy physical and mental pleasure through exercise.

Case Various Activities for Female Employees

In 2022, the Company organized all female employees to watch themed videos to celebrate the International Women's Day (March 8) together. Moreover, the Company's labor union held various online activities themed on classical dance, female self-cultivation enhancement and photography exhibition, with more than 10,000 participants. These efforts aimed to boost the happiness of female employees at work and in life.



► CITIC Securities employees celebrate the International Women's Day together

5. Employees' Safety and Health

The Company pays attention to employees' safety and health. The Company strictly abides by the requirements of the Labor Law, the Fire Protection Law, the Work Safety Law and other laws and regulations, constantly 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. The Company has established the Security Leadership Committee to coordinate firm-wide security management. Besides, the Company has developed several rules and regulations including fire and security management, and comprehensively strengthened various security measures to ensure the absolute safety of operations, and to monitor effective implementation of the labor safety management system. In 2022, no violations of employee safety and health were noted within the Company.

The Company is keen to provide production safety training and promote safety concept among employees on a daily basis, in an effort to improve their safety precaution skills and facilitate the development of a safety culture. This year, the Company not only conducted training on production safety to all employees through the intranet, but also posted a number of articles on fire-fighting knowledge, emergency escape and other safety topics through multimedia.

6. Employee Communication

The Company is committed to maintaining effective employee communication mechanisms and promoting positive employee relations. The Company has set up departments for protecting employees' rights and interests, such as the labor union, and set up the democratic management mechanism such as the employees' congress, 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 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 an active, healthy, efficient and cooperative working atmosphere.

The Company listens to the employees' opinions and suggestions on the company's policy construction, business development and corporate culture construction through multiple approaches such as organizing the employees' congress, the grassroots research conference of leading officials and various research questionnaires. Through the Intranet, Wechat enterprise column and other channels, the Company timely posts company news, business achievements, policy updates, cultural publicity and other information, so that employees can understand the latest changes of the Company's development and information, and integrate into the company in a better way. The Company's Wechat enterprise account, including the human resources and administrative service column, etc., post the company's relevant training information, activity information, health knowledge information and other information to employees in time to improve employee experience.

The Company strives to provide a fair, efficient and equal complaint handling mechanism for employees to keep abreast of employees' demands and understand the Company's dynamics or problems in the management. This year, the Company issued CITIC Securities Company Limited Employee Grievance Policy, which specified applicable circumstances and procedures for employee complaints. Upon receiving an employee complaint, the department will look into the complaint timely and check the complaint by interviewing relevant personnel and retrieving written information, and come up with a final solution. To protect employees' rights and interests, it works to handle employee complaints in an appropriate manner. At the same time, the policy emphasizes that strict confidentiality should be maintained throughout the grievance process. We require the complaint investigators to maintain the confidentiality of the details of the complaint and the personnel involved in the investigation and that no person involved in the complaint will be subject to retaliation or harm during or after the process.

Please refer to the [CITIC Securities Company Limited Employee Grievance Policy](#) for more details.

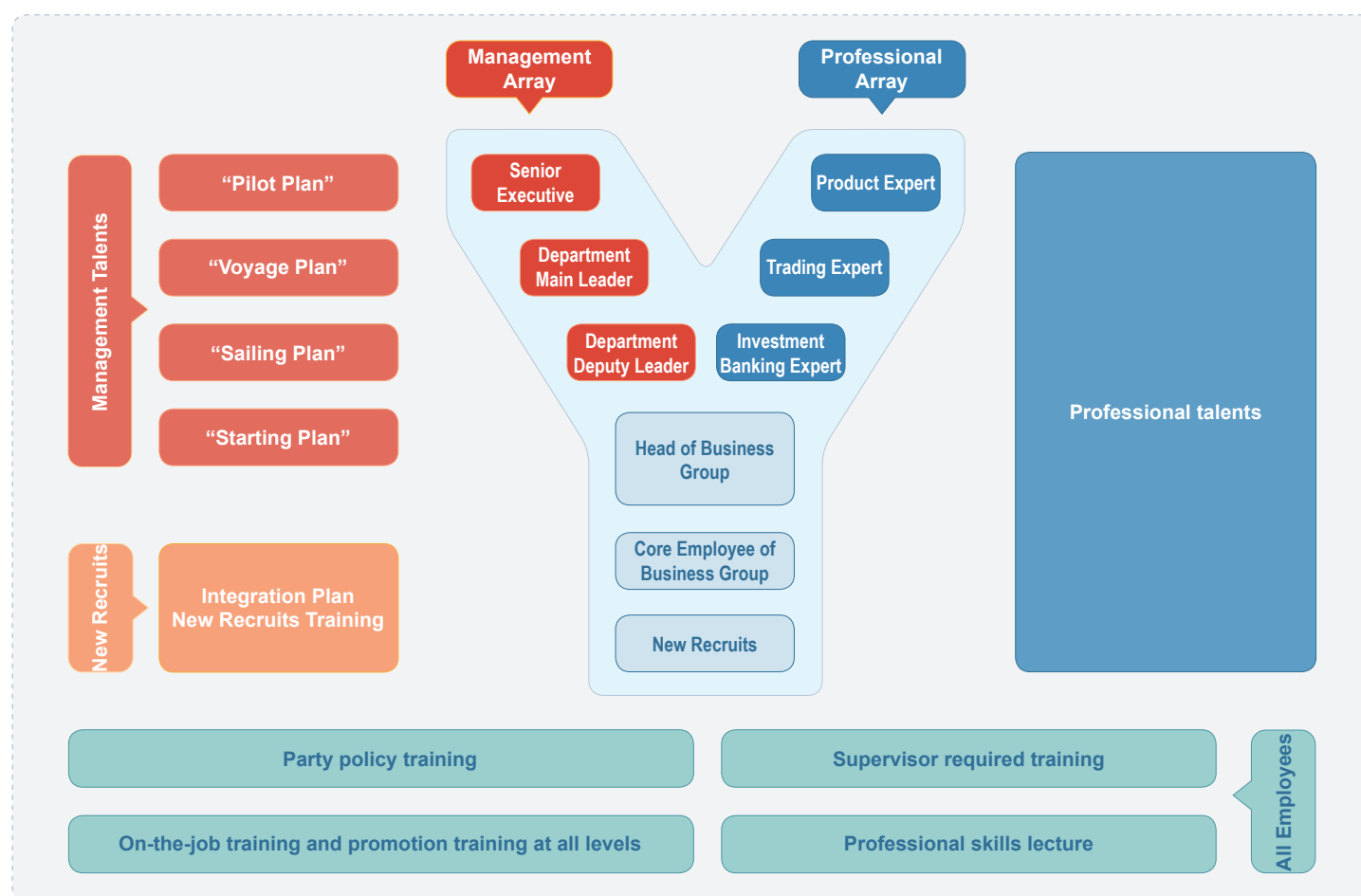
(II) An Open Platform for Development

CITIC Securities always believes that excellent talent is a primary productive force for enterprise development. We continually make greater efforts in all aspects of talent development, and optimize employee performance and promotion system, in order to promote their learning, development and growth.

1.Improving Talent Training System

CITIC Securities focuses on talent development, continuously refining its talent training system and providing personalized and high-quality training for all employees, new recruits, professional talents and management talents. We also cooperate with professional institutions to constantly improve employees' overall quality and achieve common growth of employees and the Company. This year, the Company revised Training Management Measures of CITIC Securities, which clarified that the Company's training should focus on business development strategy and job skill requirements, comprehensively improving the professional quality, business capability and integrative competence of the workforce.

In 2022, CITIC Securities reintegrated the internal training resources and created a unique Y-typed internal training system. The Company has built a full-process, multi-dimensional employee training mechanism for all employees, focusing on different positions and key competencies, providing diverse learning contents for employees and helping the Company's talent development and echelon building.



Training for All Employees

The Company develops the targeted online training plan for weakness of each employee's quality competence. We provide a range of competency-based courses, aiming to improve employees' core competencies such as leadership and influence, performance management and communication.

To cultivate professional and international talents, the Company funds and organizes annual continuing education training for practitioners, and organizes employees to participate in various trainings of regulators and industry associations.

The Company supports female employee growth. We offer the course package named "Women-Exclusive Training" on our online training platform, including courses facilitating women career development such as teamwork and solution-focused new mindset.

New Recruits Training

The Company provided a comprehensive orientation training plan for new recruits, such as "Integration Plan", centralized training, rotation program, in order to help them better fit into the workplace and master the work skills.

Management Talents Training

The Company has set up a management talents focused training system. Through the "Pilot Plan" for senior executives, the "Voyage plan" and "Sailing plan" for department main leaders and department deputy leaders, and the "Starting Plan" for future managers, the Company organizes the training for management personnel at all levels and backup management talents, invites professors from renowned universities and experts and scholars to give lectures and introduced internationally well-known copyright courses to broaden their horizons and enhance their leadership.



► CITIC Securities "Sailing Plan" Training Group Photo of Year 2022



► CITIC Securities "Starting Plan" Training Group Photo of Year 2022

Professionals Training

The Company highly focuses on the establishment of a professional talent training system. This year, the Company has created training modules for additional two business lines concerning product design and sales talent on the basis of training system that focuses on five core business lines.

Furthermore, to foster an organizational culture of learning and professionalism, we continued to promote a training model with an emphasis on new employee development and driving mature employees by performance. The Company organized the 2022 Investment Trading Online Training Camp for investment trading talents who joined the Company in the past 2 years, which promoted the improvement of the Company's investment trading business knowledge and skills.

Joint Training

In 2022, the Company partnered with external professional organizations to provide joint training for employees. For all employees, we worked with Lead Finance to provide office skills training. For new campus recruits, we cooperated with external experts to give evaluation and modeling lessons. For management, we invited renowned professors of Renmin University of China and China People's Liberation Army National Defense University and well-known experts and scholars in China to give instructions, launched daily video micro-classes and online and offline training with CEIBS BUSINESS ONLINE.

2. Employees Performance and Promotion

The Company has established a fair and reasonable performance appraisal, promotion, and employee complaint system to motivate excellent persons on a sustained basis. This year, the Company revised the Performance Management Measures of CITIC Securities Company Limited, further optimizing employee performance evaluation.

Adhering to the management philosophy of target orientation and the principle of fair and objective evaluation, the Company continually refines its performance appraisal procedure, implements performance management of all employees to constantly improve the overall quality of employees. This year, the Company maintained its closed-loop management mechanism characterizing "Performance Planning, Process Management, Appraisal Evaluation, Feedback and Application of Results" and communicate with employees based on the evaluation results.

The Company continues to optimize its rank system and promotion mechanism and provides equal development opportunities for all employees. We pay attention to the long-term performance of employees, provide employees with an objective and clear rank development path.

The Company has a comprehensive and smooth employee performance complaint mechanism. 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.

For more details on "Facilitating Employee Development", please refer to the [CITIC Securities Company Limited Human Resources Policy](#).

- Standardized Operation
- Digital Transformation
- Customer Service

ROBUST OPERATION



CITIC Securities insists on robust operation and constantly improve compliance and risk management. The Company standardizes its operation from anti-money laundering, honest practice, data security and privacy protection, supply chain management and many other aspects. Meanwhile, under the customer-centered approach, the Company aims to protect customer rights and interests, broaden customer communication channels, improve customer service quality, reinforce investor education and constantly enhance customer satisfaction.

Key Issues:

Corporate Governance

Compliance Operation

Anti-corruption

Data security and privacy protection

Investor education

Sustainable Supply Chain Management

Fintech



06

(I) Standardized Operation

1. Governance Structure

Strictly following the Company Law, the Securities Law 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.

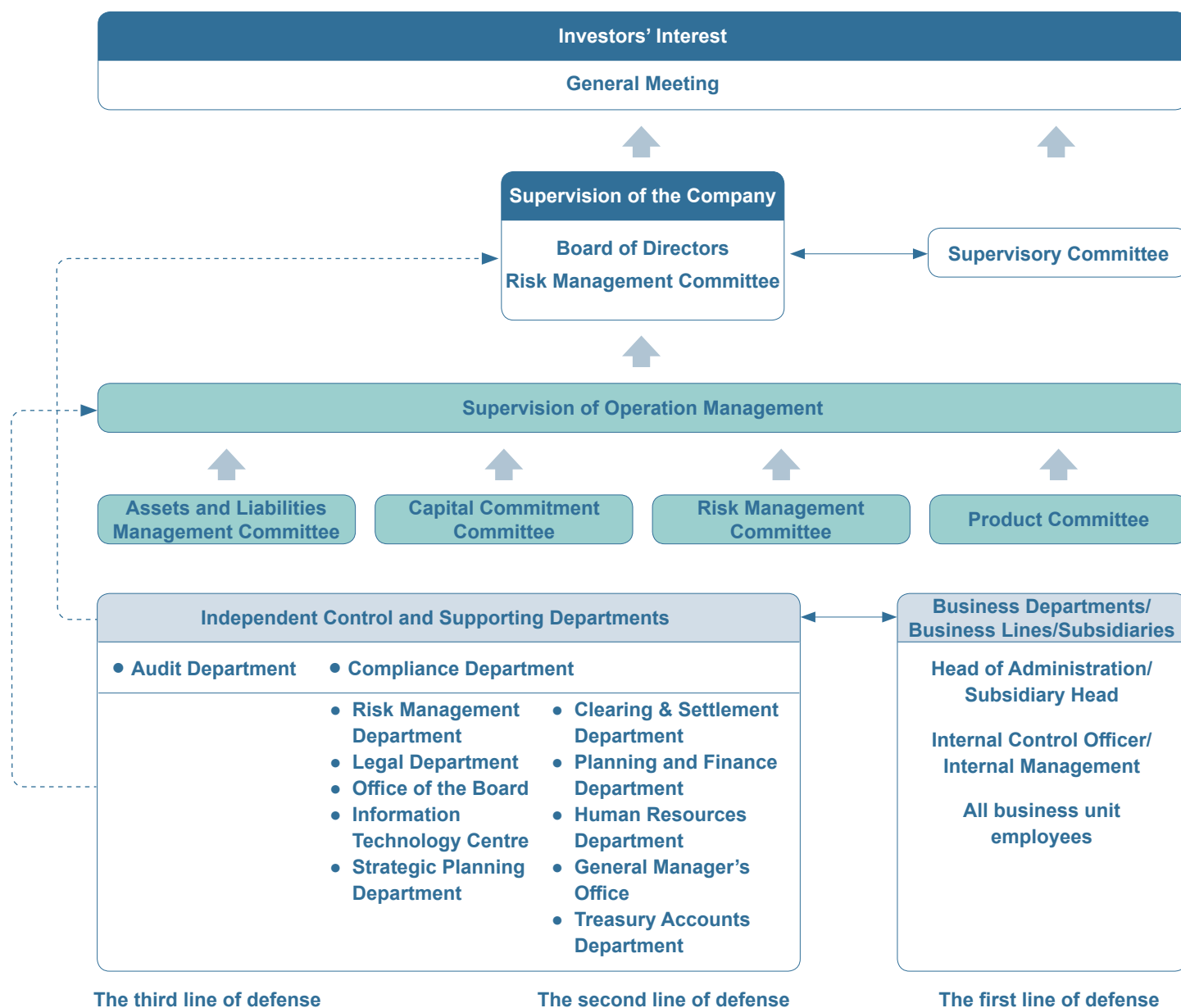
The Company's Board of Directors has established Risk Management Committee, Audit Committee, Related Party Transaction Control Committee, Development Strategy and ESG Committee, Nomination Committee and Remuneration and Appraisal Committee. As of the end of the reporting period, there are 9 directors of the Company, including 2 executive directors, 4 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 are all independent directors.

The Company follows the policy for board diversity, continues to enhance the level of diversity of the Board to provide diversified perspectives and viewpoints of Board decision-making. 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. This year, the Company appointed a new female director based on comprehensive consideration.

2. Risk Management

By implementing a comprehensive risk management mechanism and internal control process, the Company monitors, evaluates and manages the risks related to finance, operation, compliance and law in the course of business, and carries out vertical risk management for subsidiaries through different modes of business guidance, operation support and decision management. The Company has established a complete and effective governance structure system. The Board of Directors strengthens the internal control related work arrangement, improves the Company's internal control environment and structure, in order to make the internal control and risk management become a necessary part of the company's decision-making.

The Company has formed a three-level risk management system in which the risk management committee of the board of directors and the professional committee under the management team make collective decisions, and the internal control department closely coordinates with the business department/business line to manage risks from the aspects of deliberation, decision, implementation and supervision. At the level of departments and business lines, three lines of risk management are formed.



In 2022, the Company developed and revised multiple risk management policies, further improving the management standardization level. We continue to strengthen the guiding role of risk preference for business, the overall performance of the company and various risk preference indicators are in good condition, and the Company's tolerance and significant risk limit are not exceeded. The Company focuses on improving the centralized risk management system and risk warning management mechanism, implements the system construction and event tracking of country-specific risk management, thus strengthen the Company's risk prevention and response ability.

In recent years, the Company continues to increase the input on research and investment in compliance risk control and information technology, improve the recruitment of relevant professionals, promote the construction and optimization of global integrated risk management system. We constantly enhance the measurement methods and tools, improve the level of self-research of the system, strengthen the collection and integration of internal and external information, in order to ensure the full coverage of risk management for domestic and foreign business, and meet more refined management requirements.

The Company carries out risk management and internal control self-evaluation every year. The internal environmental assessment involves ESG-related risks such as governance structure, social responsibility, corporate culture and human resources. Based on the comprehensive risk management system, the Company establishes a management and control process for relevant risks and supervises the implementation, so as to minimize the impact on the enterprise.

3.Compliance Management

Strictly abiding by the Securities Law, 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 other compliance management 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.

» Advertisement Compliance Management

In line with the Advertising Law 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, provide customers with authentic and complete product information, safeguard consumer rights and interests, and practice responsible marketing.

» Intellectual Property Rights Management

The Company attaches great importance to intellectual property rights management. Strictly complying with the Advertising Law, the Trademark Law, the Copyright Law 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 Company Limited, Copyright Management Measures of CITIC Securities Company Limited 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. This year, in order to further standardized the management on trademark use, the Company revised and released CITIC Securities Company Limited Trademark Management Measures (2022 Revision).

In 2022, the Company has carried out a series of work to strengthen intellectual property management and completed self-checking and guided relevant departments to take timely corrective measures to prevent and mitigate potential infringement risks. In addition, the Company also completed the registration of **20** trademarks, **6** patent applications which were granted patents, and **2** new software copyrights registrations, protecting our own brands and intellectual property rights, as well as improving the whole process of intellectual property protection from system to application.

This year, the Company also hired external attorneys to conduct training on common intellectual property risks and responses in enterprises for all employees, and publicize common intellectual property issues such as trademark registration and rights maintenance, as well as the infringement risk of computer software. All these efforts were made to set up employees' awareness of law-abiding and compliance.

» Compliance Culture Building

CITIC Securities strengthens compliance publicity and training for active compliance culture building. This year, the Company's Compliance Department actively tracked the changes in laws and regulations involved in relevant business departments by updating the Compliance Management Trends covering regulatory trends, regulatory tracking, the latest regulatory cases and other dimensions, which was distributed to branches on a weekly basis. As of the end of the reporting period, a total of 41 issues have been released.

The Company expands its compliance publicity modes, and utilizes online platform to popularize compliance knowledge and concept to employees. In 2022, the Company opened the compliance WeChat official account and the WeChat Video Channel "CITICS Compliance Window" for publicity in various forms such as articles, long figures and short videos. These platforms were updated on a daily basis, aiming at providing various special publicities including anti-money laundering, honest practice and anti-monopoly.

4. Anti-money Laundering Management

The Company strictly abides by the Anti-Money Laundering Law and the Rules for Anti-Money Laundering by Financial Institutions and other laws and regulations to build a sound anti-money laundering management system and effectively fulfill its obligation of anti-money laundering. In 2022, the Company formulated the Detailed Rules for Anti-money Laundering Inspection and Rectification to further standardize the Company's relevant work. Besides, the Guidelines on Anti-money Laundering Performance Appraisal and Rewards and Punishments was revised, including anti-money laundering performance assessment as one of the assessment indicators into the compliance assessment to steadily enhance the supervision and management of anti-money laundering work and improve the overall work level.

The Company set up the framework for anti-money laundering risk management at the corporate level, and established anti-money laundering committees related to investment banking, wealth management, asset management 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.

To make steady improvement on the anti-money laundering performance capability of its staff and raise their responsibility consciousness of anti-money laundering, the Company revised the Anti-Money Laundering Compliance Manual this year, giving a comprehensive introduction to the background and significance, division of responsibilities, policies and procedures of the Company's money laundering risk management. Meanwhile, the Company actively organized anti-money laundering related training.

This year, the Company provided anti-money laundering training to employees **13** times through both online and offline methods, with a **100%** coverage rate of anti-money laundering training. Also, we provided anti-money laundering training to directors **22** times through anti-money laundering columns and compliance promotion, with a **100%** participation rate.

Moreover, the Company spread anti-money laundering knowledge to its employees and the public through online and offline methods such as related activities during the anti-money laundering publicity month, publicity at business halls and WeChat official account publicity.

In 2022, the Company organized departments at the headquarters and **370** branches to carry out anti-money laundering publicity activities. The anti-money laundering publicity at the business halls covered **120** thousand employees and customers. There were **15** thousand audiences in about **317** offline publicity activities. Through the WeChat official accounts, such as "CITICS Compliance Window" and "CITIC Securities Investment and Education Base", **41** anti-money laundering materials were posted with the pageview of more than **170** thousand times.

5. Professional Integrity

The Company obeys relevant laws, regulations, and guidelines such as Regulations on Supervision and Administration of Securities Companies, Regulations on the Integrity of Securities and Futures Operation Institutions and Employees, and Code of Ethics for securities practitioners, and resolutely implements the requirements on anti-commercial bribery, anti-corruption, the prevention and control against interests tunnelling, etc, and prohibit extortion, fraud, and other acts. During the reporting period, the Company had no corruption litigation cases concluded.

The Company has established a robust internal control system for integrity practice in accordance with laws and regulations, and made constant improvement on management system for integrity practice. This year, the Company issued CITIC Securities Company Limited Anti-Commercial Bribery and Integrity Policy to the public for supervision. The policy makes detailed provisions from the prevention of improper interests tunnelling and prevention of seeking illegitimate benefits and anti-commercial bribery. In addition, relevant training, reporting and accountability were improved to further standardize the Company's integrity practice management.

Integrity practice requirements are included in business and work process of the Company. Integrity practice and anti-commercial bribery related clauses have been added in significant contracts, in order to guard against legal risks and standardize the management of third-party service providers. Upon staff's onboarding, transfer, and promotion, they are fully informed of the requirements for integrity practice and required to sign the Letter of Integrity Commitment.

The Company takes active measures in integrity practice publicity to cultivate a cultural atmosphere of integrity. This year, the Company issued CITIC Securities Integrity Practice Compliance Manual to guide each department in the regulatory regulations and core requirements of integrity practice, and further clarify its integrity practice management mechanism.

The Company has organized several trainings themed integrity practice for over **20,000** employees through online platforms, requiring them to carefully study the regulations on integrity practice formulated by the regulatory authorities and the Company. This year, the Company provided professional integrity training to employees for **5** times through both online and offline methods, and provided professional integrity training to directors for **52** times through issuing professional integrity publicity manuals and compliance promotion, with a participation rate of **100%**.

The Company has established a sound mechanism for complaints and whistle-blowers protection to provide effective channels for internal and external stakeholders' participation in the Company's compliance management. To put related policies into effect, the Company has formulated the Employee Compliance Code and the Customer Complaints and Reporting System, and published CITIC Securities Company Limited Whistleblowing and Whistleblower Protection Policy this year to stipulate the whistleblowing process and channels. 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.

Please refer to [CITIC Securities Company Limited Anti-Commercial Bribery and Integrity Policy](#) and [CITIC Securities Company Limited Whistleblowing and Whistleblower Protection Policy](#) for more information.

6.Information Security and Privacy Protection

The Company adheres to the corporate information security policy of “Full Coverage, Prevention First, Classified Protection, Common Engagement and Continual Improvement”, and keeps upgrading data security management, with the focus on customers’ privacy protection. The Company holds the ISO 27001 information security management system certification.

>> Overall Target for Information Security

- The construction and operation of the Company’s information security management system conforms to the laws and relevant regulations of national government departments and regulators;
- To ensure the continuous, reliable and normal operation of the information system, the Company’s information system shall not suffer information leakage, be altered or damaged due to accidental or malicious infringement, so as to provide users with timely, unceasing and high-quality information technology services and continuous improvement.

>> Organizational Structure of Information Security

The Company has established a complete organizational structure of information security, bringing information security management into the Company’s operation. The information security management is jointly carried out and advanced by the decision-making management consisted of information security management representatives, management level consisted of information security lines and executive level consisted of Information Technology Centre and other departments. At the same time, the corporate supervision level consisted of Compliance Department, Audit Department and Risk Management Department supervises the management and executive level on information security matters at the company level.

>> Information Security Management

The Company keeps optimizing information security related policies to develop a reliable guarantee for information security. The Company has formulated the Measures for the Protection and Management of Key Information Infrastructure of CITIC Securities Company Limited, Measures for Data Governance and Management of CITIC Securities Company Limited and related implementation rules for the protection of information infrastructure. Furthermore, efforts have been made to improve data quality, mine data value and build a data-driven business model on the premise of ensuring customer data security. The Company has established a special cybersecurity pre-judgement review team to ensure the cybersecurity in all stages by incorporating the cybersecurity review process into that of the Company’s unified project management.

>> Data Security Management

The Company has made steady efforts in strengthening the protection capability and optimizing the protection strategy in key areas such as data security and supply chain information security.

Measures	Description
Improve Cybersecurity System	The Company has established a complete information security management framework. In 2022, the Company focused on and promoted the research and implementation of technological hotspots, including security of information technology application innovation, data security, supply chain security, security situation awareness and refined operation, and network assets attack surface management, in order to enhance the Company's cybersecurity in an organized and practical manner and on a regular basis.
Physical Security Management	To ensure the physical security of the equipment room, the Company arranges special personnel to patrol the data center and the equipment room on a regular basis and strictly implements the registration of personnel who access to the equipment room. Non-staff members who access to the equipment room should submit applications with records kept.
Data Backup Management	The Company has established a unified backup service capability based on the requirements of the national level protection system. Different types of databases are saved in different places. By default, the databases are backed up daily for new data and weekly for all data. Archived data kept in historical databases on a monthly and annually basis should be backed up with steady improvement of the unified backup service capability, as well as implementation of management measures for storing backup data in different places.
Security Technology Optimization	The Company has optimized the coverage rate of network traffic security monitoring system, terminal advanced threat detection and response defense system. On the basis of the security situation awareness platform, the Company carried out refined operations and promoted the implementation and promotion of cloud security management and control system to further improve the level of security technology.

>> Emergency Plan

Based on the Measures for Emergency Management of Information System of CITIC Securities Company Limited, the Company developed the Regulation on Emergency Management of Data Security Incidents of CITIC Securities Company Limited, defining the organizational structure and emergency handling process of the emergency handling work, and formulating emergency drill plans for four scenarios.

Risk Scenarios	Emergency Plan
Supply chain service provider issues lead to leakage of important company data	1.Stop risk behaviours
Employee personal behaviours lead to data leakage	2.Identify leakage impact scope
External attacks lead to data leakage	3.Locate the problem and take emergency reinforcement measures
Non-compliant uses of public cloud services lead to data leakage	4.Execute report work
	5.Measure the impact and develop remedial measures
	6.Inform users of risks and establish a channel for reporting abnormal events

» Privacy Protection

CITIC Securities strictly obeys the Securities Law, Law on the Protection of Consumer Rights and Interests, Cybersecurity Law and other relevant laws and regulations that set out clear rules on protection of customers' privacy. 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 2022, the Company formulated and issued of CITIC Securities Company Limited Trial Measures for Personal Information Protection, which defined the general principles and objectives, organizational structure and division of responsibilities, personal information processing rules, internal control and risk management requirements of personal information protection. The Measures also guided the basic direction for personal information protection of the Company.

The Company takes active measures in the education and publicity of staff's awareness of information security. A total of 30 internal and external training sessions on information technology and 6 training sessions on cross-departmental business were conducted in 2022 to effectively enhance staff's awareness of customer information protection and protect customers' personal information security.

This year, the Company continued to improve the privacy protection system of the customer trading system, and revised and issued Privacy Protection Clause in accordance with relevant laws, explaining to customers in detail how the Company collects, uses and stores personal information, promising to take appropriate safety protection measures to protect personal information in accordance with the mature safety standards in the industry. We update documents such as Authorization for Use of User Privacy Information, List of Personal Information Obtained by Third Parties, Summary of Privacy Protection Provisions, and the text of each legal entity's account opening to protect the safety of customer transaction information.

Please refer to the [Privacy Protection Code of CITIC Securities](#) for more information.

7. Supply Chain Management

To continuously optimize the supplier management policy system and create a sound supplier cooperation ecosystem, CITIC Securities always upholds the principles of fairness, impartiality and openness in its procurement work, strictly abides by the laws and regulations such as the Tendering and Bidding Law and the Government Procurement Law, formulates CITIC Securities Company Limited Procurement Management System, CITIC Securities Company Limited Procurement Management Operating Procedures, the Measures for Information System Procurement Management and other related policies.

In 2022, CITIC Securities issued CITIC Securities Company Limited Supplier Code of Conduct to further standardize supplier management in various aspects such as business ethics, environmental protection, employee health and safety. CITIC Securities also required suppliers to formulate and strictly implement policies, code of conduct and procedures to put an end to any form of bribery, corruption and fraud. The Company has made the CITIC Securities Company Limited Supplier Code of Conduct the regular page showing on the Supplier Portal and added automatic pop-up settings on the login page to require all suppliers to study the policy.

The Company integrates 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, the Company comprehensively considers 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.

The Company actively conduct supply chain sustainability risk assessments to examine the environmental and social performance of suppliers and mitigate suppliers' relevant risks.

>> Management Process for ESG-Related Risks of Suppliers



The Company has established an excellent supplier evaluation system. The Company carries out periodic evaluation and review on the supplier with respect to its product quality, service awareness and sustainable development. The Company has established a supplier exit mechanism for unqualified suppliers, to continuously optimize the supplier pool and guarantee the Company's procurement.

The Company advocates the sustainable development of the supply chain. In CITIC Securities Company Limited Supplier Code of Conduct, the Company makes it clear that it will preferentially select suppliers who adopt sustainable development policies conducive to society and the environment in their business. For instance, in the Company's bid invitation and procurement of office decorations and renovation projects in Beijing, Shanghai and Shenzhen, bidders are required to use environmentally friendly materials. The use of environmentally friendly materials and new materials is listed as an evaluation item in the evaluation form. In the equivalent conditions, The Company will give priority to consider selecting suppliers who properly use environmentally friendly products.

Please refer to [CITIC Securities Company Limited Supplier Code of Conduct](#) for more information.

(II) Digital Transformation

The People's Bank of China has recently issued the Fintech Development Plan (2022-2025), which clearly states to "strengthen the application of financial data elements, incorporate digital elements into the whole process of financial services, and focus on the technology drive and data empowerment of financial innovation". CITIC Securities actively carries out independent research and development and innovation, and has formed a series of achievements covering wealth management, asset management and other businesses in the aspects of business development, products and services, and digital operation, so as to continuously promote enterprise digital transformation and in-depth application and innovation of securities technologies.

Fintech Enables Digital Transformation	Business Development	AI Investment Consulting CITIC Securities AI team has developed its own intelligent investment advisory products based on the intelligent cloud platform, providing professional, comprehensive, transparent and convenient investment advice and opening up professional institutional-level investment strategies for small and medium-sized clients.
		Informationization platform for asset management business The platform connects with internal core systems, links investment and operation-related aspects of CITIC Securities' asset management business, realizes complete control of investment business processes, effectively improves the efficiency of asset management investment and trading personnel, and reduces operational risks. The platform also establishes an efficient and stable technical middle office system, improving the efficiency of business system delivery.
	Financial Products and Services	Platform for intelligent fund investment research and investment consulting quantification The platform applies AI, big data and other technical tools, thus effectively supports multiple scenarios such as the ability of account managers to serve customers and the research needs of investment managers. The platform has achieved outstanding results in customer experience, professional selection assistance and thousand-sided wealth management, and is regarded as an important application that accompanies the growth of customers and empowers the digital transformation of the company's wealth management business.
		Quantitative trading platform (CATS) CATS (CITICS Automated Trading System) is a quantitative trading service platform covering all business chains which is independently developed by CITIC Securities. CATS meets the needs of clients for algorithmic trading and strategy trading, for quantitative strategy design, development, testing and trading, as well as the needs risk management and compliance management of algorithmic trading and quantitative strategy trading.
	Digital Operation	Investment research matrix platform The investment research matrix platform, a one-stop resource platform for in-depth investment and research services, aims at improving its service platform and closed-loop operation of business collaborative services, thus enhance CITIC Research's internal and external service capabilities, customer stickiness, and management and research efficiency. With the research of individual stocks as its core, the platform integrates all investment and research data assets of the Research Department, provides services for professional in-depth research and industry-wide empowerment. It also provides a platform for digital assets and promotes data use standardization. It is a working platform for CITIC Securities' internal investment and research staff and a fintech investment and research empowerment platform for buyers.
		Intelligent information platform By collecting public information, the platform classifies public opinion in terms of sentiment, subject and risk event identification, providing business departments with intelligent opinion monitoring, intelligent announcement summary and real-time risk event information, which greatly improves the scope and real-time coverage of market opinion by business departments and helps business personnel improve risk identification and business opportunity identification capabilities.

(III) Customer Service

1. Protection of Customers' Rights and Interests

CITIC Securities attaches great importance to the protection of customers' rights and interests by taking a variety of measures to ensure service compliance, and makes steady efforts in strengthening suitability management.

» Ensure Service Compliance

The Company makes continuous improvement in the control of compliance risks in key aspects of the business process, and strengthens the service compliance management of customer account opening, trading, feedback collection and other links. At the same time, the Company provides training sessions to employees on ensuring service compliance. This year, the Company organized branches to carry out training sessions on topics such as mobile account opening and feedback collection business to strengthen employees' understanding and learning of related business as well as awareness of compliance service.

» Suitability Management

Firmly abiding by the Securities Law, 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, the Company enhances the obligation of the whole-process suitability management and constantly improves the internal management system. This year, the Company revised the Guidelines for the Suitability Return Visit of Investors in the Brokerage Business of CITIC Securities Company Limited to clarify the requirements for the feedback collection and further standardize the suitability feedback.

This year, the Company took strict measures to control suitability management. The Company improved the process of investor risk assessment and knowledge testing to avoid irregular behaviors during the process and ensure the authenticity of the evaluation results. The Company has checked the integrity of investors more strictly by introducing an intelligent verification mechanism in addition to the customers' original self-integrity statement. The Company also strengthened the due diligence audit of integrity verification to prevent moral hazard.

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 for full protection of investors' legitimate rights and interests. In addition, relevant trainings are provided for branches' compliance and business operation personnel on suitability management.

2. Customer Experience Improvement

The Company devotes itself to providing high-quality, comprehensive, and professional services to our customers. To unify service standards and improve service quality, the Company has integrated a series of systems, processes, and specifications for various business line and compiled the Compilation of Operational Business Regulations and Processes to provide rules to standardize customer service procedures, staff business assessment and outlets management, effectively improving the 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 service and online interactive customer service platform to improve our business innovation, and create an outstanding online business execution center in the securities industry.

The Company constantly pursues efficiency improvement and optimizes customer experience. This year, the Company advanced the level of business informatization, and introduced online intelligent robot, multi-channel access and online full flow of feedback collection business, aiming at developing a multimedia intelligent customer service system to realize the platform-based and digital management of the business process.

The Company improves the online and offline business handling processes to raise the quality of customer service. In terms of online business, the Company launches off-site business such as mobile phone business handling function and off-site relationship confirmation for Hong Kong, Macao and Taiwan customers to facilitate their business handling process. In terms of counter business, the Company simplifies the business handling materials for institutional customers. Before reaching to the counter, customers can make online reservation for material pre-examination, which optimizes the business handling process.

3. Listening to Voice of Customers

The Company attaches great importance to customer service work and expands communication channels for customers to actively respond to their evaluation and feedback on the Company's businesses and services. Besides, the Company continuously optimizes service processes and improves customer satisfaction.

The Company has formulated the Customer Complaint Reporting Policy of CITIC Securities Company Limited to establish a sound customer complaint handling mechanism to define the complaint acceptance and handling process, and standardize the Company's complaint management.

In order to further supervise and boost service improvement, the Company continues to conduct customer satisfaction surveys to collect their feedback and identify key issues, thereby formulating improvement plans accordingly.

This year, according to the Company's centralized customer service center, the satisfaction rate from customers of mobile account opening and customers consulting through telephone and online channel exceeded **99%**, the satisfaction rate from customers of mobile account opening is **99.9%**, and the overall customer satisfaction rate was **99.4%**, reflecting the high recognition of the Company's service quality.



4. Investor Education

The Company focuses on investors' needs to actively educate investors, and 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 industry.

We plan, organize, and implement investor education activities via the Company's official website, mobile APP, WeChat official account, investor's corner and bulletin boards at business halls and other channels.

In 2022, during the special investor education activity themed "Understanding reports of listed companies", the Company adopted various online and offline publicity measures with respect to regular reports, prospectuses and other information disclosure documents of listed companies to help investors objectively analyze the operating capacity of enterprises, identify investment risks, understand the fundamentals and development prospects of enterprises, and thus independently judge the investment value of enterprises.

The Company's WeChat official account regarding investor education base has posted a total of **36** articles in the series of "Understanding the reports of listed companies", with **86,200 views**. We also posted **13** short promotional videos including Information Disclosure - The Captain of Value Investment in the same series, with about **163,700 views** in total. The Company's columns of "CITIC Classroom" and "CITIC Securities Investor Education into the Campus" carried out **12 live** streaming activities regarding investor education, with a total view of about **80,000**.

On May 15, 2022, on the occasion of the fourth "May 15 National Investor Protection Promotion Day", the Shanghai Stock Exchange, together with 66 institutions including CITIC Securities, issued the Capital Market Value Investment and Long-term Investment Initiative, aiming to further guide the establishment of the concept of value investment and long-term investment in the whole market, and give a positive play of the institutional investors' role in maintaining market stability and promoting common prosperity.

- Propelling Party Building
- Promoting Industry Development
- Financial Services Empowerment
- Social Welfare

BUILDING A HARMONIOUS SOCIETY



CITIC Securities is committed to giving back to society to achieve harmonious co-existence and sustainable development. Giving full play to its leading role in Party building, CITIC Securities responds to national policies and development strategies, actively fulfils its social responsibilities, and contributes to the well-being of the people. CITIC Securities leverages business strengths and joins hands with the industry to grow together to empower national development with financial services, serve for the rural revitalization, and enthusiastic support for social welfare undertakings, through donations and targeted poverty alleviation to build a better society.

Key Issues:

Cultural Construction
Industry Exchange
Serve the Real Economy
Rural Revitalization
Social Welfare



07

(I) Propelling Party Building

In 2022, CITIC Securities focused on meeting, learning and publicizing the Party's 20th National Congress, fully implemented the general requirements of Party building in the new era, continued to focus on all tasks of Party building, and led high-quality development.

The Company regarded the study, publicity and implementation of the Party's 20th National Congress Spirit as its primary political task. We organized the staff to watch the Party's 20th National Congress Opening Ceremonies, formulated and distributed the study, publicity and implementation work plan, timely held special training courses, the Company's Party committee members took the lead in carrying out collective study discussion, teaching special party lessons, and invited well-known experts to make guidance reports, synchronous distribution of learning materials, online guidance videos. At the same time, we organized and carried out the themed Party Day activities of "Learning the 20th National Congress and Advancing New Journey", and the members of the Party Committee of the Company went deep into the grassroots to contact points to carry out learning and lecturing. Party organizations and Youth League organizations at all levels of the company, in accordance with the deployment requirements of the superior, combined with the actual unit, in the form of "the first issue", the central group of the Party Committee, the branch "three meetings and one lesson", widely carried out various forms of learning activities with rich content. Xinhua News Agency, Banner Net, China Securities Journal and other media published relevant experiences and practices of the Company.

The Company regarded implementing the decisions and arrangements of the CPC Central Committee as an important political responsibility to ensure that the major decisions and arrangements of the CPC Central Committee are implemented in detail by the company, and constantly improve the quality and effectiveness of serving the real economy. We deeply comprehend the political and people's nature of financial work, bear in mind the mission of "helping to improve the function of the capital market and serving high-quality economic development", earnestly support enterprises in direct financing, serve strategic emerging industries such as "hard technology", "three innovation and four innovation" and "specialized and special innovation", help small and medium-sized enterprises reduce financing costs, help with targeted poverty alleviation and rural revitalization, and promote regional development. The company issued the Announcement of CITIC Securities Company Limited on Exerting the Direct Financing Function of the Capital Market to Serve the Real Economy, indicating that it will earnestly implement the Party's 20th National Congress Spirits, strive to serve the real economy and scientific and technological innovation, and make positive contributions to the high-quality development of the economy, the construction of a new development pattern and the construction of a modern economic system.



► The company held special lectures on the study and implementation of the Party's 20th National Congress Spirit for all Party members.

The Company has made unremitting efforts to strengthen the innovation theory, earnestly study and implement Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and promoted the full coverage of theoretical study. In 2022, the Company organized more than 20,000 people to participate in the study. We also issued the Notice on Promoting the Normalization of Study and Education of Party History and its Long-term Effect, strengthened the arrangement, promoted the study of Party history as a regular content into the arrangement of theoretical study, and organically combined the study of Party history with the understanding of ideology and the strengthening of Party spirit. To consolidate the practice and effectiveness of "doing practical things for the people", members of the Party committee of the company held regular discussions and exchanges with employee representatives, actively respond to employees' concerns, and strengthened incentives, care and help. We strengthened the construction of columns and briefings on Party building, organized research on the ideological dynamics of employees, improved data analysis, and further enhanced the effectiveness of ideological and political work.

(II) Promoting Industry Development

CITIC Securities shares advanced experience with other companies in the industry, actively organizes and participates in ESG-related industry exchange activities and ESG standard setting, and actively explores the leading trends in the development of the finance and securities industry.

During this year, the Company held various ESG forums focusing on different fields in different forms, conveying the Company's ESG concept to the market, and building bridges between issuers and investors from all over the world.

- The Company held 3 large online forums independently, including the sub-forums, focusing on the frontier of ESG investment and research in collaboration with experts from asset management agencies, enterprises and evaluation institutions, with themes such as "Embracing the New Trends in ESG Regulation 2022" and "Move toward the ESG-empowered New Stage".
- The Company held the first offline private seminar on ESG investment to better empower the ESG investment of asset management organizations through small-scale exchanges.
- The Company organized two large-scale offline meetings with external organizations. As a strategic support organization, CITIC Securities supported the forum of "China's Sustainable Investment (ESG) and the Construction of Hainan Free Trade Port" hosted by Sanya Municipal People's Government and Hainan Province Development and Reform Commission, and organized the "Special Sub-forum on ESG Evaluation and Enterprise Optimization". Participating as the core think tank, The Company supported Cailian Press and Chinese Academy of Environmental Planning of the Ministry of Ecology and Environment to hold the "China ESG Financial Summit", and published the research report on the ESG Evaluation System for the Financial Industry at the conference.



► "Special Sub-forum on ESG Evaluation and Enterprise Optimization"



► "China ESG Financial Summit"

The Company has actively participated in ESG standard setting and policy discussion to promote ESG practice in the capital market.

- In June 2022, CITIC Securities participated in the drafting of two group standards: T/CAQP 027-2022 General Requirements for Enterprise ESG Information Disclosure, and T/CAQP 026-2022 General Requirements for Enterprise ESG Assessment, which were issued by the initiator China Association for Quality Promotion.
- CITIC Securities participated in the preparation of the ESG Management Standards for the Pharmaceutical Health Industry, which was officially released in September 2022. Together with related industries, CITIC Securities established the ESG risk management and disclosure standards for medical and health industries with Chinese characteristics.
- In December 2022, CITIC Securities Research Department, China Index Academy and QuantData jointly released the 2022 ESG Assessment and Research Report of Property Service Listed Companies, which was the first ESG evaluation system focused on the property management industry.

Case

CITIC Securities Participated in the Green and Low-carbon Development Seminar of the Shenzhen Stock Exchange

In 2022, CITIC Securities' Investment Banking Department and Asset Management Department participated in the "Capital Market Supports Green and Low-carbon Development" seminar hosted by the Shenzhen Stock Exchange, where the Company exchanged views and made suggestions on the development and investment of green bonds and public REITS business as well as the development of green financial instruments from various perspectives. In this way, the Company further refined and explored new channels of the capital market serving the "dual carbon" strategy and boosted the flourish growth of the green bond and public REITS markets.

(III) Financial Services Empowerment

Relying on its own expertise and advanced financial services, CITIC Securities empowers the country's economic development, actively fulfils rural revitalization, and promotes common prosperity.

Giving Full Play to the Direct Financing Function of the Capital Market and Serve the Real Economy

The Company fully serves its function as a financing intermediary in the capital market, and helps promote a high-level circulation of technology, capital and real economy. In 2022, the Company's equity underwriting amount in the A-share market reached **RMB 376.3 billion, ranking first in the market**. The underwriting amount of debt financing in the domestic market reached **RMB 1,578.6 billion, ranking first in the market**. The Company's service innovation-driven development strategy helped **68** enterprises raise funds on Science and Technology Innovation Board and Growth Enterprise Market of Beijing Stock Exchange, with a financing amount of **RMB 149.7 billion**. We have enabled enterprises to develop internationally, serving **29** Chinese clients to complete overseas equity financing of **USD 11 billion**.

Through direct equity investment and private equity investment funds, the Company allocates more financial resources to key areas and weak links of economic and social development, and increases support for the real economy, especially in the fields of technological innovation and emerging industries. It also actively invests in high-quality real enterprises related to independent innovation and cutting-edge technologies to provide impetus for the high-quality development of the society and the economy. In 2022, our subsidiary CITIC Securities Investment closely focused on the development of the capital market and the domestic and international macro situation, serving the real economy as a fundamental measure. The new investments were mainly in the fields of new energy, semiconductors, new materials, advanced intelligent manufacturing, information technology, innovative medicine, new equipment and other fields, focusing on strategic, global and forward-looking projects. CITIC Securities Investment actively invests in high-quality real enterprises related to independent innovation and cutting-edge technologies, further increases the support for the real economy, and continues to provide assistance for high-quality social and economic development. Our subsidiary Goldstone Investment invested nearly RMB 10 billion externally in areas such as new materials, new energy, new generation information technology, medical health and other fields, helping a number of enterprises, with investment support, solve bottlenecks in the key links of their industrial chains.

Our subsidiary CITIC Futures strengthens its financial services function and focuses on the needs of the real economy. In view of the weak risk resistance of small and medium enterprises and difficulties they have met in financing, CITIC Futures has continuously explored innovative risk management service models to help real enterprises manage risk using the "futures toolbox", serving more than 2,000 small and medium enterprises in total. Since 2022, CITIC Futures has served more than **200** industrial enterprises, with a hedging amount of over **RMB 500 billion**. Its risk management subsidiaries have served nearly 1,000 industrial customers, of which **84%** are small and medium enterprises.

1. Empowering Rural Revitalization

The Company closely follows the national strategic direction, gives full play to its professional advantages, responds to the call of the state through financial means, and introduces the capital into the field of rural revitalization.

In 2022, we successfully sponsored **1** company in poverty alleviation areas to list on the A-share market, completed the refinancing of **3** listed companies in poverty alleviation areas, with a financing amount of **RMB 11.1 billion**. We also completed a number of **30** bonds that related to "agriculture, rural areas, and farmers", poverty alleviation, and rural revitalization in poverty alleviation areas, with a financing amount of **RMB 38.2 billion**.

» Financial Products for Rural Revitalization to Consolidate the Achievements in Poverty Alleviation

CITIC Securities keeps strengthening its financial services for rural revitalization, and makes full use of financial instruments at different levels. It has invested the resources from capital market into rural revitalization through underwriting and issuing rural revitalization bonds, supporting the listing of enterprises and issuing asset-backed special plans, so as to contribute to the national strategy of rural revitalization.

In 2022, the Company assisted Muyuan Foods Co., Ltd, a leading enterprise in the global pig industry, to complete a private placement of **RMB 6 billion** to promote the development of modern agriculture. We assisted the China Development Bank to issue an additional **RMB 8 billion** of special financial bonds for rural revitalization, which are used for loans to support beautiful villages, rural infrastructure development, and public services. We successfully supported Lionbridge Financing Leasing (China) Co., Ltd. to set the first asset-backed special plan for rural revitalization at the Shenzhen Stock Exchange, with a scale of **RMB 1,167 million**. More than **70%** of the funds raised are planned to be invested in transport vehicles for production and operating activities and financial services provided for needed lessees in areas that have been lifted out of poverty for less than five years, so as to promote stable employment of the people in rural areas and optimize the rural employment structure.

» Development of Rural Industry Promoted by the “Insurance + Futures” Model

The “insurance + futures” model, as the “stabilizer” and “booster” for comprehensively promoting rural revitalization and ensuring the prosperity of local industries, effectively solves the problem of price fluctuations of agricultural products, and makes critical contributions in guaranteeing farmers’ income, ensuring their operating profits and production enthusiasm, and helping rural revitalization. Over the years, CITIC Securities has actively responded to the call that the finance shall serve the real economy, deeply developed the “insurance + futures” model, and continuously summed up and promoted its business experience, which has brought good economic and social benefits.

In 2022, CITIC Futures carried out a total of **50** agriculture-related “insurance + futures” projects, a year-on-year increase of **28%**. These projects provided protection against price risk for a total of **48,200** farmers, cooperatives and agriculture-related enterprises in **45** cities and counties in 16 provinces or autonomous regions with an underwriting amount of **RMB 1,389 million**, which was widely recognized by the society.

2.Diversified Wealth Management

The Company functions fully as a wealth manager. Focusing on the wealth needs of investors, it builds a professional team of comprehensive wealth management services, and provides investors with comprehensive, high-quality and multi-level wealth management services and asset management services, so as to firmly promote the inclusive finance and common prosperity.

The asset management business of the Company provides customized asset portfolio services with focus on the investment need scenarios of individual customers such as fixed-income substitution, diversified appreciation, pension reserve, and children's education, enabling diversified asset investment, diversified style portfolios and diversified investment manager allocation.

As at the end of the reporting period, the public offering of **19** hybrid asset management products had been completed, with a total scale of approximately **RMB 32.4 billion**, serving a customer group of about **500 thousand people**, and distributing returns to investors of approximately **RMB 6.5 billion** in total.

The Company vigorously develops its fund investment consulting service, so as to provide fund holders with products that match their risk return characteristics and help holders to achieve wealth preservation and appreciation. We focus on developing low-threshold and low-risk inclusive products to comprehensively meet the wealth management needs of different clients with different risk return preferences.

As at the end of 2022, the Company and our subsidiary China AMC had a total asset management scale of **RMB 3.14 trillion**, with more than **200** million investors served.

CITIC Securities has actively laid out the third pillar of pension while steadily promoting its enterprise annuity and occupational annuity business. The personal pension business of CITIC Securities provides professional and warm pension services, including pension account management, pension asset allocation and pension service tracking from the perspective of customer life cycle wealth management to help residents enjoy happy retirement.

In order to further enhance its personal pension services, CITIC Securities and Renmin University of China jointly launched the 2022 Maturity of China's Young and Middle-aged Elderly Care Investigation Report, which studied the different elderly care needs, so as to guide residents to develop proper awareness for the elderly care preparedness.

(IV) Social Welfare

CITIC Securities strives to be an excellent corporate citizen, enthusiastically supports social welfare undertakings, and actively carries out all kinds of social welfare activities, so as to fulfil its social responsibility.

1. Rural Assistance

CITIC Securities has always been actively implementing the national strategy of poverty alleviation with a high sense of political responsibility. With combination of its business and the actual local situation, it focuses on poverty alleviation through education, consumption and industry, and innovates poverty alleviation" means. In 2022, CITIC Securities made a total of **RMB 55.97 million** of external donations, of which and invested a total of **RMB 50.47 million** was invested in rural revitalization, **100%** 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 2022

Assistance Type	Actions and Results
Education Assistance	<ul style="list-style-type: none"> CITIC Securities invested RMB 19 million to improve students' learning and living environment and the teaching quality in Jishishan County in Gansu Province for the third consecutive year. CITIC Securities Public Welfare Fund has invested RMB 2.91 million in total to actively carry out the Teacher Enhancement Program in Jishishan County in Gansu Province, and gradually plans to expand to other targeted counties.
Financial Assistance	<ul style="list-style-type: none"> CITIC Securities and CITIC Futures invested RMB 4.465 million to give full play to the financial advantages of the special "insurance + futures" new support model. CITIC Futures held "agriculture, rural areas, and farmers" financial knowledge training courses on futures services in grassroots towns.
Consumption Assistance	<ul style="list-style-type: none"> The Company actively carried out consumption assistance and effectively promotes the sale of agricultural products in the helping areas. The Company purchased agricultural and sideline products from 8 helping areas, including Huichang county in Jiangxi, Jishishan county in Gansu, Xi county in Shanxi, Yuanyang county in Yunnan, etc.
Industry Assistance	<ul style="list-style-type: none"> CITIC Securities donated RMB 35 million to support the targeted poverty alleviation counties of Shenza County in Tibet Autonomous Region and Yuanyang County in Yunnan Province to improve local people's livelihood, intellectual help, infrastructure construction, rural revitalization demonstration site construction and grassroots party construction. CITIC Securities invested a total of RMB 212,500 in industrial assistance projects in rural revitalization work areas for rural breeding base supporting facilities and cultural square construction projects.
Medical Assistance	<ul style="list-style-type: none"> CITIC Securities participated in the "Angel Project - Rural Medical Service Capacity Enhancement Program" and donated RMB 250,000 to equip 500 village doctors in Yuanyang County in Yunnan Province with digital consultation kits and training.

2. Social Welfare Campaigns

CITIC Securities actively undertakes its social responsibility and participates in a number of social welfare activities, which demonstrates its corporate commitment. The Company has set up the “CITIC Securities Public Welfare Fund” together with China Foundation for Rural Development, which allows employees to make earmarking donations directly to the Fund. This year, employees of the Company donated a total of **RMB 10,874,700**.

In 2022, the Company’s labor union donated **RMB 5 million** to the Peking Union Medical College Education Foundation to support the development of education and scientific research of Peking Union Medical College.

Our subsidiary CSI actively engages in public welfare programs around the world, enhances the influence of public welfare, and fulfills the social responsibilities. CSI Chairman’s Trust provides grants to small and medium non-governmental organizations (NGOs) in education, health and welfare, business environment and other sectors. With focus on funding quantifiable and sustainable projects, the Trust provides financial and human support to the disadvantaged groups and communities in various regions. CSI encourages employees to actively participate in social welfare activities. In 2022, the cumulative employees’ service hours exceeds **2,300 hours**.

Case

CITIC CLSA Securities’ Celebration Activities on “Celebrating the 25th Anniversary of Hong Kong’s Return”

To continue to reach the grassroot communities in Hong Kong and fulfil its commitment to caring for the community, CITIC CLSA Securities delivered its community care during the activities of “Celebrating the 25th anniversary of Hong Kong’s return” coordinated by the HKSAR Government, presenting a gift to the 25th anniversary of Hong Kong’s return to the motherland. During this period, CITIC CLSA Securities worked with several charities to carry out a series of activities such as the “Love Bags” packaging activity, several “Cloud Visit” activities for nursing homes, visits paid to elderly people living alone in Kowloon East neighborhood, newly-arrived single-parent families and grassroot families, and distribution of welfare bags to convey care to the grassroot communities and promote social solidarity and mutual support.



► “Love Bags” packaging activity



► “Cloud Visit” activities for nursing homes

Case

Sustainable Development of the Environment: CITIC CLSA Securities’ Forest

The volunteers of CITIC CLSA Securities purchased and planted more than 4,400 trees in Ecuador, Kenya, Uganda, Indonesia, Malaysia, the Philippines, Thailand and Peru via the EcoMatcher platform. In this way, they built the CLSA Forest. Furthermore, local gardeners have been hired to take care of these trees. The Forest plays an important role in the sustainable development of the environment and the local community assistance.

APPENDIXES

(I) Key Performance Indicators

1.Key Environmental Performance Indicators

In 2022, the data covers the head offices of CITIC Securities, CITIC Securities (Shandong), CSI, GoldStone Investment, CITIC Securities Investment, CITIC Futures, CITIC Securities South China and China AMC.

ESG Indicators	Unit	2020	2021	2022
A1. Emissions				
Total GHG Emissions (Scope 1 and 2)	tons	26,912.66	27,593.65	32,997.63
Direct emissions (Scope 1)	tons	633.55	743.20	1,466.73
Indirect emissions (Scope 2)	tons	26,279.11	26,850.45	31,530.90
GHG emissions per square meter	tons per square meter	0.16	0.16	0.18
Hazardous waste	tons	1.15	1.37	1.18
Hazardous waste per capita	tons per capita	0.0002	0.0002	0.0001
Non-hazardous waste	tons	13.90	31.09	37.17
Non-hazardous waste per capita	tons per capita	0.0019	0.0039	0.0042

Note:

(1) Based on the business nature, the main emissions are greenhouse gases (GHG) produced by fuel and refrigerant and purchased electricity and purchased heating converted from fossil fuel. In 2022, we expanded the scope of our statistics to include the GHG emissions from refrigerants and purchased heating, resulting in a significant increase in GHG related KPIs compared with previous years.

(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 2022 Sustainability Report and HK Electric Investments Sustainability Report 2021, and IPCC Guidelines for National Greenhouse Gas Inventories (2006, 2019 Edition) and the IPCC Fifth Assessment Report, 2014 (100-yr GWP) by the Intergovernmental Panel on Climate Change (IPCC), and Requirements for Carbon Dioxide Emission Accounting and Reporting (DB11/T 1787-2020) by the Beijing Municipal Administration for Market Regulation.

(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 Indicators	Unit	2020	2021	2022
A2.Use of Resources				
Total energy consumption	MWh	40,557.58	42,424.09	54,161.34
Direct energy consumption	MWh	3,075.08	3,624.47	3,437.60
Gasoline		507.03	553.63	425.30
Diesel		108.05	107.07	238.91
Naturalgas		2,460.00	2,963.77	2,773.39
Indirect energy consumption	MWh	37,482.50	38,799.62	50,723.74
Purchased electricity		37,482.50	38,799.62	44,075.78
Purchased heating		-	-	6,647.96
Energy consumption per square meter	MWh per square meter	0.24	0.25	0.29
Water consumption	tons	128,369.00	143,834.07	137,837.00
Water consumption per square meter	tons per square meter	0.89	1.04	1.00

Note:

(1) Energy consumption is calculated using the consumption of electricity, gasoline, diesel, natural gas and purchased heating and the conversion factors provided in the PRC national standard, General Principles for Calculation of Total Energy Consumption (GB/T 2589-2020). In 2022, we expanded the scope of our statistics to include the consumption of purchased heating, resulting in a significant increase in energy related KPIs compared with previous years.

(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 2022 includes CITIC Securities Co., Ltd.

ESG Indicators	Unit	2021	2022
B1. Employment			
B1.1 Total workforce by gender, employment type, age group and geographical region			
Total number of employees on active duty	Person	23,696	25,742
By the parent company and subsidiaries			
Total number of in-service staff of the Parent	Person	14,413	15,616
Number of in-service staff of principal subsidiaries	Person	9,283	10,126
Number of retired staff for which the Parent and principal subsidiaries are responsible for their expenses	Person	441	533

ESG Indicators	Unit	2021	2022
By business category			
Business staffs	Person	19,213	20,729
IT staffs	Person	1,250	1,572
Financial staffs	Person	622	525
Administrative staffs	Person	429	441
Others (including clearing & settlement, risk management, legal, compliance, supervision audit, etc.)	Person	2,182	2,475
By gender			
Male	Person	12,095	13,302
Female	Person	11,601	12,440
By employment type			
Regular employees	Person	22,485	24,589
Brokers	Person	0	0
Dispatched employees	Person	1,211	1,153
By educational background			
Doctor's degree	Person	311	341
Master's degree	Person	8,659	10,414
Bachelor's degree	Person	13,317	13,883
Associate's degree and below	Person	1,409	1,104
By age			
Aged below 30	Person	10,411	10,787
Aged between 30 and 50	Person	12,228	13,751
Aged above 50	Person	1,057	1,204
By geographical region			
Chinese Mainland	Person	21,475	23,452
Hong Kong, Macao and Taiwan, China	Person	1,238	1,349
Others	Person	983	941
B1.2 Employee turnover rate by gender, age group and geographical region			
Total employee turnover rate	%	8.06	8.52

ESG Indicators	Unit	2021	2022
By gender			
Male	%	8.21	9.07
Female	%	7.90	7.92
By age			
Aged below 30	%	10.20	11.68
Aged between 30 and 50	%	6.56	6.42
Aged above 50	%	4.35	4.07
By geographical region			
Chinese Mainland	%	6.89	7.83
Hong Kong, Macao and Taiwan, China	%	18.90	12.53
Others	%	20.04	19.77

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 Indicators	Unit	Data
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 2020	Person	0
Number of work-related fatalities in 2021	Person	0
Number of work-related fatalities in 2022	Person	0
Rate of work-related fatalities in 2020	%	0
Rate of work-related fatalities in 2021	%	0
Rate of work-related fatalities in 2022	%	0
B2.2 Lost days due to work injury		
Lost days due to work injury	Day	0

Note:

(1) The statistical scope of the number of working days lost due to work-related injuries is the parent company of CITIC Securities, excluding branches.

ESG Indicators	Unit	2021	2022
B3. Development and Training			
B3.1 The percentage of employees trained by gender and employee category			
By gender			
Percentage of trained male employees	%	100	100
Percentage of trained female employees	%	100	100
By employee category			
Percentage of trained management personnel	%	100	100
Percentage of trained non-management personnel	%	100	100
B3.2 The average training hours completed per employee by gender and employee category			
By gender			
Average training hours completed by male employees	Hour	67.63	125.79
Average training hours completed by female employees	Hour	67.63	125.78
By employee category			
Average training hours completed by management personnel	Hour	44.99	117.55
Average training hours completed by non-management personnel	Hour	68.34	126.03

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

ESG Indicators	Unit	2021	2022
B5. Supply Chain Management			
B5.1 Number of suppliers by geographical region			
Chinese Mainland	-	783	1,213
Other	-	23	36

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

ESG Indicators	Unit	2021	2022
B6. Product Responsibility			
Number of customers consulted	Pcs	1,224,428	996,351
Number of customer complaints received	Pcs	228	232
Number of Overall Customer Satisfaction Surveys Conducted	Pcs	389,791	330,157
Customer satisfaction	%	99.14	99.37

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.

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

Aspects	Content and Indicators	Index
Governance Structure	<p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> (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. 	<p>STATEMENT OF THE BOARD OF DIRECTORS</p> <p>02 SOCIAL RESPONSIBILITY MANAGEMENT SYSTEM</p> <p>> (I) Social Responsibility Management</p>
Reporting Principles	<p>A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:</p> <p>Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.</p> <p>Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.</p> <p>Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.</p>	<p>ABOUT THIS REPORT</p> <p>>Reporting Principles</p>

Aspects	Content and Indicators	Index
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	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.	04 CLIMATE CHANGE RESPONSE > (I) Climate Change Risk and Opportunity Management > (II) Green Operation APPENDIXES > (I) Key Performance Indicators
	KPI A1.1 The types of emissions and respective emissions data.	APPENDIXES > (I) Key Performance Indicators
	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.	04 CLIMATE CHANGE RESPONSE > (I) Climate Change Risk and Opportunity Management > (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.	04 CLIMATE CHANGE RESPONSE > (I) Climate Change Risk and Opportunity Management > (II) Green Operation
Aspect A2: Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	04 CLIMATE CHANGE RESPONSE > (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

Aspects	Content and Indicators	Index
Aspect A2: Use of Resources	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.	04 CLIMATE CHANGE RESPONSE > (I) Climate Change Risk and Opportunity Management > (II) Green Operation
	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.	04 CLIMATE CHANGE RESPONSE > (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	04 CLIMATE CHANGE RESPONSE > (I) Climate Change Risk and Opportunity Management
	KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	04 CLIMATE CHANGE RESPONSE > (I) Climate Change Risk and Opportunity Management
Aspect A4: Climate Change	General Disclosure	04 CLIMATE CHANGE RESPONSE > (I) Climate Change Risk and Opportunity Management
	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.	04 CLIMATE CHANGE RESPONSE > (I) Climate Change Risk and Opportunity Management
B. Social		
Aspect B1: Employment	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 compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	> (I) Diversified and Inclusive Workplace
	KPI B1.1 Total workforce by gender, employment type, age group and geographical region.	APPENDIXES > (I) Key Performance Indicators
	KPI B1.2 Employee turnover rate by gender, age group and geographical region.	APPENDIXES > (I) Key Performance Indicators

Aspects	Content and Indicators	Index
Aspect B2: Health and Safety	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 providing a safe working environment and protecting employees from occupational hazards.	> (I) Diversified and Inclusive Workplace
	KPI B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	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	FACILITATING EMPLOYEE DEVELOPMENT
	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	> (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).	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	06 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.	06 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.	06 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.	06 ROBUST OPERATION > (I) Standardized Operation

Aspects	Content and Indicators	Index
Aspect B6: Product Responsibility	General Disclosure	06 ROBUST OPERATION
	Information on:	> (I) Standardized Operation
	(a) the policies; and	> (III) Customer Service
	(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.	
	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.	06 ROBUST OPERATION > (III) Customer Service APPENDIXES > (I) Key Performance Indicators
	KPI B6.3 Description of practices relating to observing and protecting intellectual property rights.	06 ROBUST OPERATION > (I) Standardized Operation
	KPI B6.4 Description of quality assurance process and recall procedures.	06 ROBUST OPERATION > (III) Customer Service
	KPI B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	06 ROBUST OPERATION > (I) Standardized Operation
Aspect B7: Anti-corruption	General Disclosure	06 ROBUST OPERATION
	Information on:	> (I) Standardized Operation
	(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.	
	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.	06 ROBUST OPERATION > (I) Standardized Operation
	KPI B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	06 ROBUST OPERATION > (I) Standardized Operation
	KPI B7.3 Description of anti-corruption training provided to directors and staff.	06 ROBUST OPERATION > (I) Standardized Operation

Aspects	Content and Indicators	Index
Aspect B8: Community Investment	General disclosure	07 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).	07 BUILDING A HARMONIOUS SOCIETY > (II) Promoting Industrial Development > (III) Financial Services Empowerment > (IV) Social Welfare
	KPI B8.2 Resources contributed (e.g. money or time) to the focus area.	07 BUILDING A HARMONIOUS SOCIETY > (IV) Social Welfare

(III) Task Force on Climate-related Financial Disclosures

Level	Disclosure of Project Content		Remarks
Governance	Disclose the organization's governance in relation to climate-related risks and opportunities	a) Describe the board's monitoring of climate-related risks and opportunities	04 CLIMATE CHANGE RESPONSE > (I) Climate Change Risk and Opportunity Management
		b) Describe management's responsibilities in assessing and managing climate-related risks and opportunities	02 SOCIAL RESPONSIBILITY MANAGEMENT SYSTEM >(I) Social Responsibility Management
			04 CLIMATE CHANGE RESPONSE > (I) Climate Change Risk and Opportunity Management

Level	Disclosure of Project Content		Remarks
Strategy	Disclose the actual and potential impact of climate-related risks and opportunities on the organization's business, strategic and financial planning	a) Describe the short-, medium- and long-term climate-related risks and opportunities identified by the organization	04 CLIMATE CHANGE RESPONSE > (I) Climate Change Risk and Opportunity Management
		b) Describe the impact of climate-related risks and opportunities on the organization's business, strategic and financial planning	03 SUSTAINABLE FINANCE 04 CLIMATE CHANGE RESPONSE > (I) Climate Change Risk and Opportunity Management
		c) Describe the potential impact of different scenarios (including the 2°C scenario) on the organization's business, strategic and financial planning	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	04 CLIMATE CHANGE RESPONSE > (I) Climate Change Risk and Opportunity Management
		b) Describe the organization's processes for managing climate-related risks	04 CLIMATE CHANGE RESPONSE > (I) Climate Change Risk and Opportunity Management
		c) Describe how the processes for identifying, assessing and managing climate-related risks integrate with the overall risk management of the organization	04 CLIMATE CHANGE RESPONSE > (I) Climate Change Risk and Opportunity Management
Metrics and Targets	Disclose indicators and goals used in assessing and managing climate-related risks and opportunities	a) Disclose the metrics the organization uses to assess climate-related risks and opportunities in accordance with its strategy and risk management processes	03 SUSTAINABLE FINANCE > (II) Promoting Responsible Investment 04 CLIMATE CHANGE RESPONSE > (I) Climate Change Risk and Opportunity Management
		b) Disclosure of Scope 1, Scope 2 and Scope 3 (if applicable) GHG emissions and associated risks	04 CLIMATE CHANGE RESPONSE > (I) Climate Change Risk and Opportunity Management APPENDIXES > (I) Key Performance Indicators
		c) Describe the objectives used by the organization in managing climate-related risks and opportunities, and the achievement of the objectives	04 CLIMATE CHANGE RESPONSE > (I) Climate Change Risk and Opportunity Management

(IV) Content Index of Shenzhen Guidelines on Environmental Information Disclosure for Financial Institutions

Indicators		Content
Basic Information		01 ABOUT THE COMPANY >(I)Company Profile
Strategic goals	Targets related to environment and green finance	04 CLIMATE CHANGE RESPONSE > (I) Climate Change Risk and Opportunity Management
	Development strategies related to environment and green finance	04 CLIMATE CHANGE RESPONSE > (I) Climate Change Risk and Opportunity Management
Governance structure	Board	02 SOCIAL RESPONSIBILITY MANAGEMENT SYSTEM
	Senior management	>(I)Social Responsibility Management
	Professional department	
Policy and system	Internal policies (current policies and systems related to environment and green finance; new policies implemented during the reporting period)	CITIC Securities Company Limited Environmental Protection Policy; CITIC Securities Company Limited Climate Change Policy; CITIC Securities Company Limited Responsible Investment Statement; CITIC Securities Company Limited Environmental and Social Risk Management Framework.
	External policies (compliance with external environmental, climate and green finance related policies and regulations)	04 CLIMATE CHANGE RESPONSE >(II) Green Operation
Environmental risk management	Environmental risk and opportunity management mechanism	04 CLIMATE CHANGE RESPONSE > (I) Climate Change Risk and Opportunity Management
	Identified environmental risks and opportunities	04 CLIMATE CHANGE RESPONSE > (I) Climate Change Risk and Opportunity Management
Environmental impact of business activities	Energy consumption of business activities	04 CLIMATE CHANGE RESPONSE > (I) Climate Change Risk and Opportunity Management
	Business and office water consumption	APPENDIXES
	Business office paper consumption	>(I) Key Performance Indicators
	Waste discharge from business premises	Operation office paper consumption: 54,249 kg
	Total direct and indirect greenhouse gas Emissions (Scope 1 to Scope 3)	

Indicators		Content
Environmental impact of business activities	Environmental measures and environmental benefits	04 CLIMATE CHANGE RESPONSE > (II) Green Operation
Environmental impact of investment and financing activities	Overall investment and financing situation	03 SUSTAINABLE FINANCE > (II) Promoting Responsible Investment > (III) Supporting Sustainable Financing
	Green investment and financing activities	03 SUSTAINABLE FINANCE > (II) Promoting Responsible Investment > (III) Supporting Sustainable Financing 04 CLIMATE CHANGE RESPONSE > (I) Climate Change Risk and Opportunity Management
	Environmental benefits of green investment and financing activities	Consider currently there is no public calculation method, the Company's database is not complete at this stage. For cautious consideration, the relevant information will not be disclosed for the moment, and will be disclosed in due time according to the situation in the future.
	Overall carbon emissions from investment and financing activities	
	Carbon footprint of investment and financing activities	
Innovation and research	Green finance research	03 SUSTAINABLE FINANCE > (II) Promoting Responsible Investment
	Green finance Achievement Award	01 ABOUT THE COMPANY > (IV) Honors in 2022 03 SUSTAINABLE FINANCE > (III) Supporting Sustainable Financing > (IV) Supporting Carbon Trading Market Construction
	Green finance innovation practice cases	03 SUSTAINABLE FINANCE > (III) Supporting Sustainable Financing > (IV) Supporting Carbon Market Construction
Data quality management	Data combing, verification and protection	06 ROBUST OPERATION > (I) Standardized Operation
	Data security emergency plan	06 ROBUST OPERATION > (I) Standardized Operation

(V) Reader Feedback Form

Dear Readers,

Thank you for taking the time to read the 2022 ESG Report of CITIC Securities. In order to enhance our ESG management and improve the quality of ESG management and report, your valuable comments and suggestions are highly appreciated. We will fully consider your advice, and promise to keep your information confidential.

You may contact us via:

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CITIC Securities Company Limited

March 2023

 Please rate your level of agreement with the following statements from 1 to 5 (1 being strongly disagree and 5 being strongly agree) :

- | | | | | | |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| 1.The report reflects the company's environmental and social impact. | 1 <input type="checkbox"/> | 2 <input type="checkbox"/> | 3 <input type="checkbox"/> | 4 <input type="checkbox"/> | 5 <input type="checkbox"/> |
| 2.I am satisfied with the ESG performance of the Company. | 1 <input type="checkbox"/> | 2 <input type="checkbox"/> | 3 <input type="checkbox"/> | 4 <input type="checkbox"/> | 5 <input type="checkbox"/> |
| 3.I am satisfied with the disclosure level of this report. | 1 <input type="checkbox"/> | 2 <input type="checkbox"/> | 3 <input type="checkbox"/> | 4 <input type="checkbox"/> | 5 <input type="checkbox"/> |
| 4.This report responds to and discloses issues of interest to stakeholders. | 1 <input type="checkbox"/> | 2 <input type="checkbox"/> | 3 <input type="checkbox"/> | 4 <input type="checkbox"/> | 5 <input type="checkbox"/> |
| 5.I am satisfied with the report. | 1 <input type="checkbox"/> | 2 <input type="checkbox"/> | 3 <input type="checkbox"/> | 4 <input type="checkbox"/> | 5 <input type="checkbox"/> |

Other comments:



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Integrity Innovation Excellence Sharing

成为全球客户最为信赖的国内领先、国际一流的中国投资银行

To become a leading domestic and internationally renowned Chinese investment bank, trusted by clients around the world