

2023 中信证券 年度社会责任报告

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 2023.

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"), CITIC Securities Asset Management Company Limited (hereinafter referred to as "CITIC Securities AM").

This Report covers the period from 1 January 2023 to 31 December 2023, 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, and partially referred to the "Shanghai Stock Exchange Self-discipline Regulatory Guidelines for Listed Companies No. 14 - Sustainability Reporting (Trial) (Draft for Comment)".

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.

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 has continued to drive improvements in the Company's management systems for environmental, social and corporate governance (hereinafter referred to as "ESG") and strengthen its supervision of, and its participation in, the Company's ESG matters, in accordance with the requirements of the Environmental, Social and Governance Reporting Guide issued by the Hong Kong Stock Exchange Limited (hereinafter referred to as "HKEx"). The Board of Directors confirms that this Report includes detailed disclosures of the Company's key progress and achievements in ESG during the reporting period, and undertakes that this Report is free from false information, misleading statements and material omissions. The Board of Directors makes the following statement in relation to its supervision and management of ESG matters:

Role of the Board of Directors

CITIC Securities has established a relatively sound ESG governance structure. The Development Strategy and ESG Committee under the Board of Directors is responsible for ESG management and regularly reviews the Company's ESG policies and strategies, receives briefings on ESG-related work, and implements relevant resolutions of the Board of Directors. It evaluates, prioritises and manages key ESG topics, and monitors how the Company's key ESG targets are set and achieved.

Management Policies

CITIC Securities identifies and analyses the Company's ESG opportunities and risks based on actual circumstances arising in its operations and management, its reform and development needs, and the focus of stakeholders. It improves ESG-related strategies, policies and systems on an ongoing basis. The Company attaches importance to all potential significant impacts that ESG issues could have on its operations and development, strives to steadily strengthen communication with stakeholders, and regularly analyses the materiality of ESG issues that are of interest to stakeholders in order to better respond to their expectations.

In line with its ESG management objectives, CITIC Securities takes solid actions to improve its management efficiency in ESG; plays an active role as a bridge between the real economy and the capital market; and helps promote high-level communication among technology companies, investors and participants in the real economy. CITIC Securities is committed to channelling financial resources into businesses engaged in key areas and providing financial support for the high-quality development of the real economy. As part of its commitment to sustainability, the Company promotes the integrated development of green finance, carries out in-depth research on ESG, and contributes to the growth of the carbon market and innovation of its products and services. The Company strives to actively align itself with the rural revitalisation strategy, take vigorous actions to promote the public good and encourage employees to volunteer, and promote prosperity for all.

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 26, 2024.

About Our Company

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 Financial Holdings 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 currently has 8 principal tier-1 subsidiaries, and branch offices in over 13 countries around the world and more than 400 branches in China. 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.

Business Scope

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 ((investment management entrusted by the National Social Security Fund within the country, securities investment management of the basic pension fund, investment management of the enterprise annuity fund, and investment management of occupational pension funds)), 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; market making and trading of listed securities. (Items subject to approval in accordance with the law can only be carried out after approval by the relevant departments, and the specific business items are subject to the approval documents or licences of the relevant departments).

Corporate Culture

During more than 20 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	• Integrity • Innovation • Excellence • Sharing
Characters	• Pursue excellence, Dare to innovate • Respect the market, Face challenges head-on • Be humble in life, Stay devoted to our work • Be diligent and prudent, Advocate simplicity and clarity

Honours in 2023

 Recognition from Rating Agencies	• MSCI ESG Rating upgraded to "A" , achieving rating upgrade for two consecutive years
	• WIND ESG rating of "A".
	• 2023 Climate Change Questionnaire of the Carbon Disclosure Project (CDP) scored at "B"



ESG Honors and Awards Received by the Company

Awarding by	Award Name
Shanghai Stock Exchange	Excellent option market maker and top10 option brokers
Shenzhen Stock Exchange	Excellent Intermediary of Fixed Income Innovative Products, Excellent Corporate Bond Underwriters, Excellent Manager of Asset Support Special Plan, Excellent Bond Market Making Agency, Excellent Cross market Bond Trading Agency
China Institute of Internal Audit(CIIA)	2020-2022 National Advanced Internal Audit Collective
China Association of Listed Companies	Best practice cases of the 2023 Board of Directors, and the 2022 annual report performance presentation of listed companies
International Finance Forum(IFF)	"4th Global Green Finance Awards - Innovation Award"
Interbrand	Top 50 Best Brands in China of the Year 2023
New Fortune	The 16th New Fortune Best Investment Bank , First place in local best investment bank and best practice ESG investment bank
Securities Times	The 14th China Listed Company Investor Relations Tianma Award China Listed Company Best Investor Relations Award
Wande Information	Top 100 ESG Best Practices of Chinese Listed Companies in 2023
China Securities Journal	China Securities Journal 2023 China Securities Industry Golden Bull Award Golden Bull Award of Top Ten Securities Companies, ESG Golden Bull Award of Securities Companies, Golden Bull Award of Cultural Construction of Securities Industry
CAIJING Magazine	2023 Evergreen Award - Sustainability Benefit Award
The Economic Observer	Financial Firm of the Year 2023 - Excellence in ESG Practice of the Year Award
Treasury Management	AAA Sustainable Finance Award 2022: China's best green bond (company), China's best green bond (state-owned enterprise), China's best green dim sum bond (automobile industry) AAA Sustainable Capital Markets Award 2022: Best blue and sustainable development bonds, best green bonds (biodiversity)
SINA	2023 China Corporate ESG Gold Responsibility Award - Best Securities Company for Responsible Investment
Daily Economic News	Top 30 brand value list of listed companies in China's securities industry in 2023
Ta Kung Wen Wei Media Group Business Development Limited	2023 Best ESG Financial Services Organization of the Year Award
Nanfang Daily	2023 Contribution to the Promotion of Quality Development Award

2023 Key performance

Category of performance	Key Performance	2023
Environmental	Energy consumption per square meter	0.28 MWh per square meter
	Water consumption per square meter	0.83 tons per square meter
	Greenhouse gases (GHG) emissions per square meter	0.15 tons per square meter
Social	The social contribution per share	4.95
	Total employees:	26,822
	Employee training coverage	100%
	Average training hours	119.89
	Completed bonds that related to “agriculture, rural areas, and farmers”, poverty alleviation, and rural revitalization in poverty alleviation areas	27
	Completed bonds that related to “agriculture, rural areas, and farmers”, poverty alleviation, and rural revitalization in poverty alleviation areas with a financing amount of	RMB 72.901 billion
	Number of beneficiaries from the “in- surance + futures	87,400
Governance	Annual cumulative amount of external donation	RMB 55.17 million
	Anti-money laundering training cov- erage	100%
	Professional integrity training cov- erage	100%
	Overall customer satisfaction rate	99.35%
Economic	Investment in ESG bond and investment funds	About 42.8 billion
	Total underwriting amount of green bonds (include asset-backed securities):	RMB 71.6 billion
	Total underwriting amount of overseas ESG bonds	USD 780 million

Notes: social contribution value per share = earnings per share + value-added per share. Value-added per share = (taxes paid + wages paid to employees + interests on borrowings paid to creditors + external donations from the Company + securities investor protection funds + dividends - other social costs incurred due to factors such as 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.

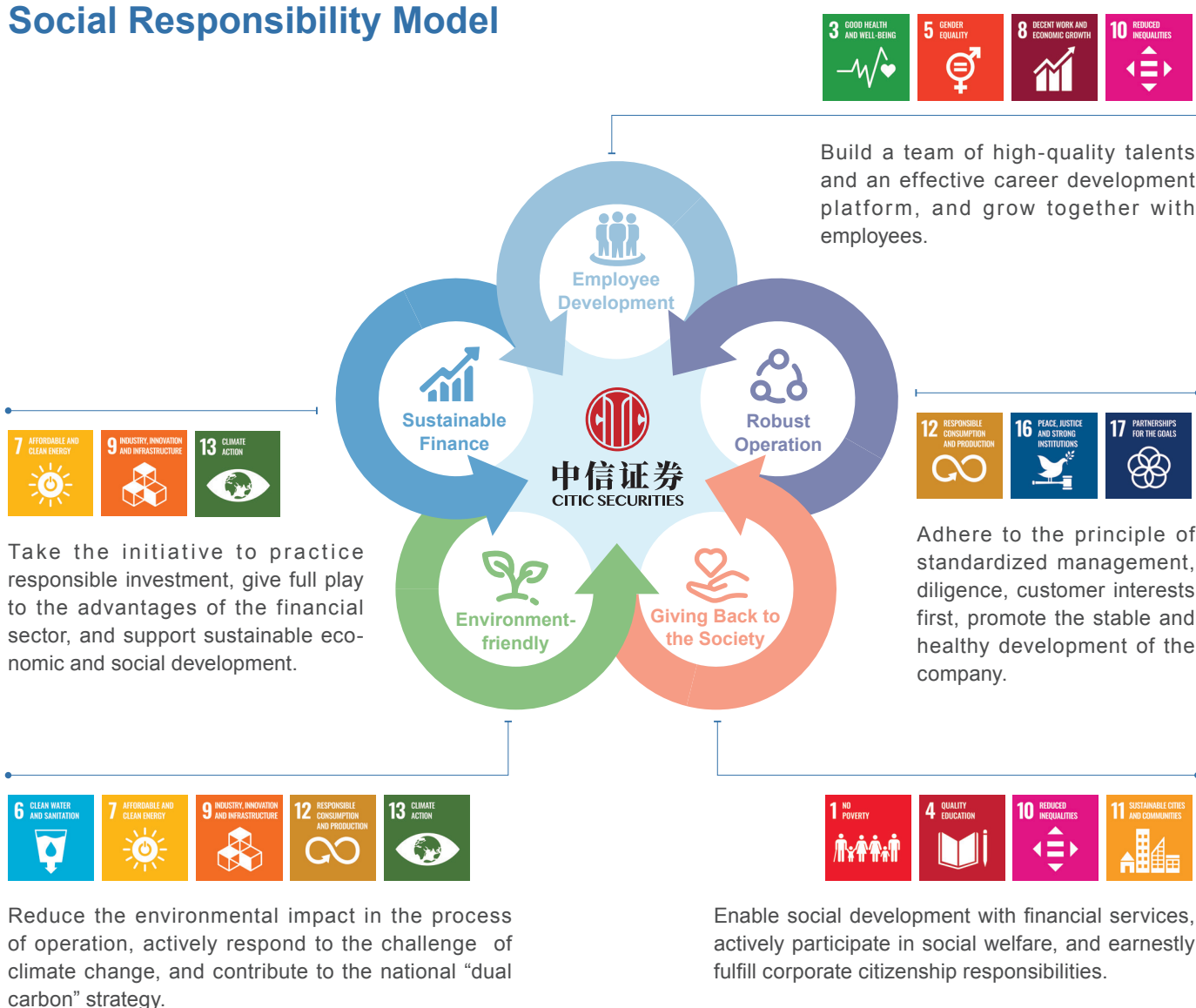
Social Responsibility Strategy and Management

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

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.

Social Responsibility Model



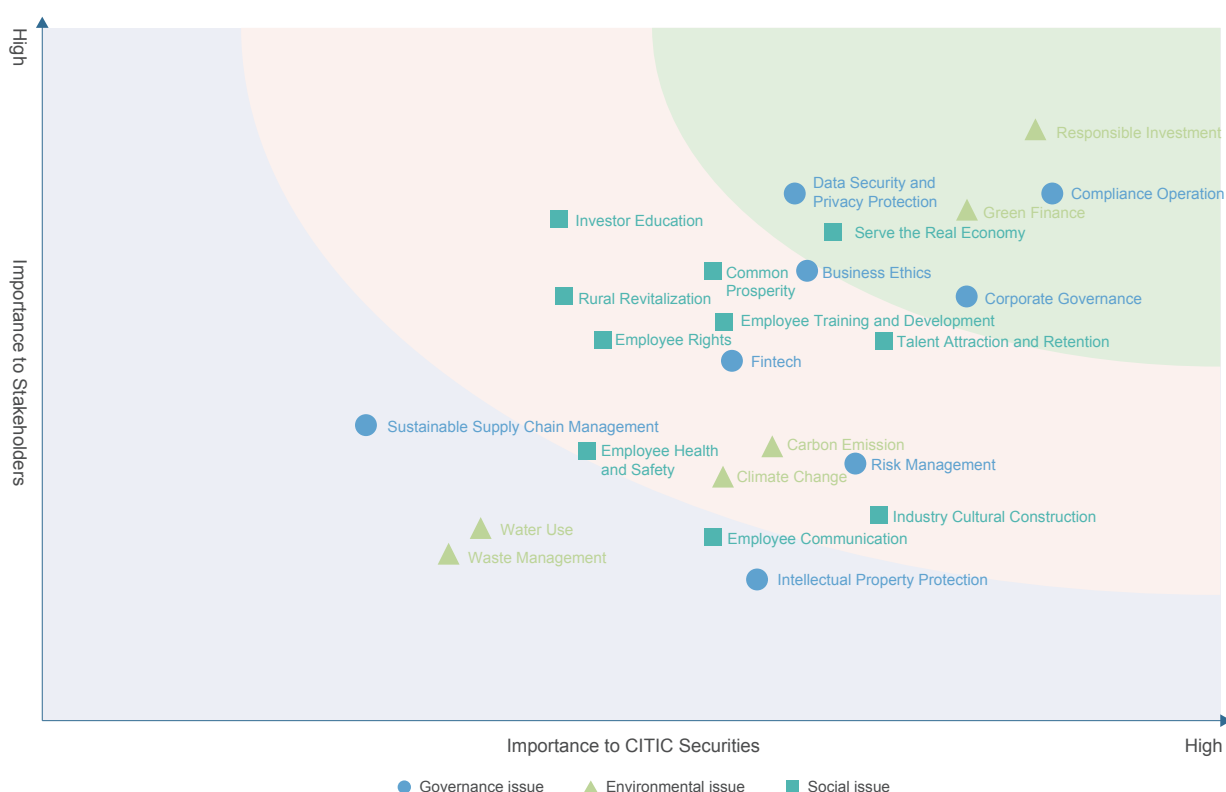
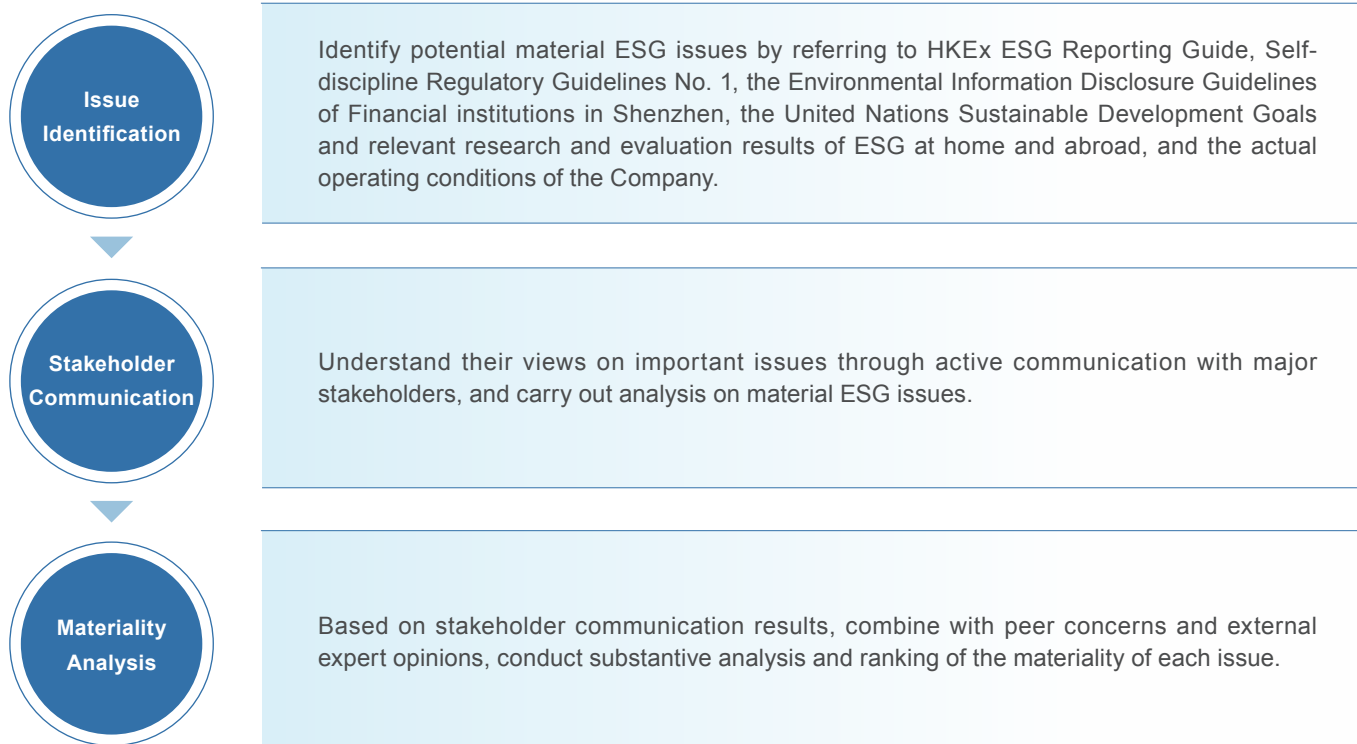
Stakeholder Engagement

CITIC Securities actively expands communication channels with stakeholders in all aspects of its daily operation and services, establishes a regular communication mechanism, and builds a harmonious and stable stakeholder relationship by fully understanding and responding to the expectations and demands of stakeholders through multi-channel and multi-form communication activities.

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 Business Ethics Serving the real economy Data security and privacy protection Investor education Industry cultural construction Climate Change
Shareholders and Investors	General meeting of shareholders Regular reports of enterprises Shareholder hotline E-mail SSE E-Interactive platform face-to-face communication	Corporate governance Compliance operation Business Ethics Climate change Responsible investment Industry cultural construction
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 Intellectual Property Protection
Community and the Public	Public welfare activities Community interaction	Responsible Investment Common Prosperity Industry cultural construction Rural revitalization Climate change

Materiality Issues

CITIC Securities systematically carries out the materiality 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.



Developing Green Finance

With a fair wind, one should set sail. As an active supporter of green finance, CITIC Securities actively implements the new development concept, establishes green finance as an important direction, continues to promote and participate in green finance innovation, provides businesses with green finance solutions, such as green equity, green bonds, asset-backed securities, and facilitates the transition towards green and low-carbon industry and energy structures through funding. The Company enhances training and research on green finance, strengthens efforts to develop green finance talents, comprehensively improves our green finance capabilities, and strives to contribute to the 30/60 carbon goals.

Supporting the Development of Green Industries

CITIC Securities actively responds to the national policies on the 30/60 carbon goals and on a green, low-carbon and circulation-driven economy. The Company continues to add variety to its green financial products, increases investment in green industries, and promotes the transition towards green economic and social development. The Company continues to allocate more resources to green finance and explore the innovation of green financial products for trading, derivatives and services. In 2023, the Company assisted several new energy and environmental protection enterprises in completing equity financing deals and acquisitions.



Key Projects

- The Company helped Yangtze Power complete a major restructuring project involving assets worth RMB **80.5 billion** and raise a total of **RMB 16.1 billion** for the purpose;
- The Company helped Guangdong No. 2 Hydropower issue shares of **RMB 10.5 billion** to purchase assets and raise **RMB 1.9 billion** for the purpose;
- The Company helped Zhejiang New Energy issue shares to specific investors, raising a total of **RMB 3 billion**;
- The Company helped JA Solar, a global photovoltaic leader, complete the issuance of convertible bonds worth approximately **RMB 9 billion**.



Case: CITIC Securities supports hydropower enterprises and promotes the green energy transition

Hydropower is a clean and renewable energy with mature technology and can be developed on a large scale. Actively developing hydropower is an important measure to promote the construction of a new power system, achieve the goal of carbon peaking and carbon neutrality, and promote sustainable economic and social development. CITIC Securities continues to provide comprehensive services for hydropower enterprises, promote the development of hydropower enterprises, and continue to assist in the green transition of energy.

Developing Green Finance

Yangtze Power's major asset restructuring project:

Yangtze Power is mainly engaged in hydropower generation, clean energy and smart integrated energy, power distribution, investment and financing, and has presence in China, Peru, Brazil, Pakistan and other countries. Yangtze Power owns all the generation assets of six cascade power stations in the mainstream of the Yangtze River, namely, the Three Gorges, Gezhouba, Xiluodu, Xiangjiaba, Wudongde and Baihetan. It is the largest listed power company in China and the largest listed hydropower company globally.

As the leading financial adviser for asset restructuring and the lead underwriter of the issuance project, CITIC Securities performed an in-depth analysis of Yangtze Power's future development strategy and actively recommended the investment to capital market participants in order to help Yangtze Power improve the size, quality and profitability of its assets and enhance its liquidity and resilience. Through the restructuring, Yangtze Power now owns 6 giant hydropower stations in the mainstream of the Yangtze River, increasing its controllable installed capacity to **71.795** million kilowatts and realizing centralized management of large hydropower assets. With its size and ability to operate professionally, it has been able to improve its management efficiency and generate synergies and benefits from concerted actions across the six reservoirs in flood control, drought relief, water-saving and power distribution, and has become a leader in driving hydropower quality and sustainability, promoting the green transition across China's energy industry.



71,795 MWh

controllable hydropower
installed capacity increased

Huaneng Hydropower's acquisition contract:

As the largest clean power operator in the Lancang-Mekong region, Huaneng Hydropower plays a key role in the "transmission of power from western to eastern China" and the "transmission of power out of Yunnan". Thanks to the orderly and progressive development of the Lancang River basin, it has contributed to China's reliable power supply.

CITIC Securities acted as financial adviser and helped Huaneng Hydropower successfully complete the acquisition of Huaneng Sichuan, promoting the further integration of hydropower assets within Huaneng Group, and opening up new possibilities for the high-quality development of Huaneng Hydropower. The deal further added to Huaneng Hydropower's assets, with its installed capacity exceeding 27 million kilowatts, which contributed towards further centralized management of hydropower assets and more effective cascade-based scheduling in the basin.

Developing Green Finance

Expanding Green Bond Business

CITIC Securities strengthens the promotion of green financial products such as carbon neutrality bonds and sustainability-linked bonds and continues to expand the scale of green bonds at home and abroad. In 2023, it underwrote 150 green bonds (including carbon neutrality bonds), with an underwriting scale of RMB 71.6 billion, which was the largest among industry players.

Key Projects

- The Company assisted the Agricultural Development Bank of China in issuing the first green finance bond in 2023, with an issuance scale of **RMB 5 billion**;
- The Company helped State Power Investment Group issue the first offshore wind power REITs project worth **RMB 8.101 billion**, the largest of its kind domestically;
- The Company helped Three Gorges Group issue green corporate bonds of long maturity as one of the first exchange-registered corporate bond issuers, assisting Three Gorges Group's efforts to become a leader in upgrading and innovating the clean energy industry.

SCH00905-linked OTC deals

796

nominal principal

RMB 78.4 billion

CDB Green Bonds-linked OTC deals

429

nominal principal

RMB 91.1 billion

In 2023, the Company underwrote 6 green financial bonds issued by policy banks, with a total scale of RMB 460 million. The funds raised were invested in a wide range of climate-related areas such as construction and operation of wind power generation facilities and of distributed energy engineering projects, recycling of waste resources, construction and operation of freight railways, and energy conservation and environmental protection projects for railways. At the same time, the Company continued to deepen its green targets-linked OTC option business, concluded related deals with a number of bank counterparties during the year, promoting and participating in green finance innovation.

By the end of 2023, the Company had concluded **796** SCH00905-linked OTC deals, with the nominal principal amounting to approximately **RMB 78.4 billion**, and more than **429** CDB Green Bonds-linked OTC deals, with the nominal principal amounting to approximately **RMB 91.1 billion**.

Developing Green Finance

Promoting the Development of the Carbon Market

CITIC Securities is the first securities company in China to carry out carbon trading business, and has built a one-stop carbon finance comprehensive service system on this basis. With a dedicated carbon trading team and more than 400 branches across the country, the Company provides carbon financial instruments such as carbon trading, carbon repurchase, carbon emission reduction cooperation, carbon support, carbon offset, etc. for the carbon market, helping emission-control enterprises to expand the scope of inquiries and enhance trading capacity, effectively promoting the carbon reduction and transition of the real economy, and continue to serve the carbon market infrastructure construction and function improvement, and improve the carbon market activity and effectiveness.

Focus on key industries

The Company provides integrated carbon trading and carbon finance services for enterprises actively controlling emissions in steel, building materials, non-ferrous metals, petrochemical and chemical industries, as well as owners of emission reduction projects in the fields of forestry carbon sinks, renewable energy and methane utilisation and other areas, helping them reduce performance costs, get access to funds for carbon reduction purposes, and generate benefits from carbon emission reduction. The Company is widely recognised by market participants.

Support for innovation pilot

The Company regularly provides quotation and trading services, enhances the stability and liquidity of the market, innovates carbon financial service modes and tools, and helps carbon trading pilots such as Beijing, Tianjin, Shanghai, Hubei, Shenzhen, Fujian and other provinces and municipalities covered in the carbon trading pilot launch carbon repurchases (the first deal already concluded), driving flows of social capital into energy saving and carbon reduction.

In 2023, CITIC Securities implemented the market-leading concept of integrated carbon finance services, and has landed a number of the country's first innovative businesses, created a number of the country's first carbon financial instruments, played a leading role in the carbon finance area and effectively filled the gaps in the carbon market.



The signing ceremony for the first combined carbon asset repurchase transaction in China

Developing Green Finance

Innovative deals

- The first carbon asset repurchase transaction in China
- The first carbon quota repurchase transaction within the industry in Fujian
- The first carbon quota repurchase transaction in Hubei
- The first combined carbon asset repurchase transaction in China
- The first carbon emission quota repurchase transaction concluded in Tianjin
- The first carbon emission quota repurchase transaction concluded in Shanghai

Innovative tools

- The first carbon asset swap transaction in China
- The first carbon asset pledge loan risk mitigation tool in China
- Jointly developed China's foreign trade carbon cost index

ESG and carbon market forums

30

Special reports

200

In 2023, the Company actively promoted exchanges among industry participants about the carbon market, participated in more than 30 ESG and carbon market forums, and released more than 200 special reports. With its leadership in terms of innovation capabilities and its outstanding contributions to China's carbon market, CITIC Securities won the Global Green Finance Award for Innovation from the International Finance Forum (IFF) for its integrated carbon trading and carbon finance services.



The IFF Global Green Finance Award for Innovation

Developing Green Finance

Building Green Finance Capabilities

Training sessions
on green finance
related topics

100

ESG-related
research reports
were published

38

CITIC Securities continues to improve the green finance training system, carry out a series of studies on cutting-edge green finance areas at home and abroad, advanced experience acquired by industry participants, and business opportunities in the green finance and carbon market, and constantly improve learning courses on green finance to cultivate green finance talents. In 2023, the Company coordinated and integrated internal and external training resources to provide a variety of training sessions on green finance for managers and key business personnel at different levels and under different business lines. In 2023, we carried out more than 100 training sessions on green finance related topics.

The Company continues to deepen the ESG research system, develop insights into global ESG regulatory policies, optimise and update the ESG evaluation system, carry out climate investment and financing research, expand our ESG research and corporate services, and help asset managers invest responsibly and listed companies drive high-quality development. In 2023, the Company established an ESG research group based on the ESG research team, which consisted of professional ESG analysts and researchers engaged in cutting-edge research. During the year, 38 ESG-related research reports were published, covering topics such as ESG evaluation system upgrading, tracking of ESG standards and policies, carbon footprint and climate risk measurement.

The Company actively participates in discussions and exchanges on ESG topics across key industries to promote green development and provide support for the development of ESG standards. In 2023, the Company cooperated with the China Pharmaceutical Industry Association in formulating the ESG Management Standards for the Pharmaceutical and Healthcare Industry which includes ESG risk management and disclosure standards for pharmaceutical and healthcare companies. This set of standards is the first of its kind for the pharmaceutical and healthcare industry, which will provide guidance for relevant enterprises to optimise their internal decision-making system and improve their ESG management.

Promoting Prosperity for All

CITIC Securities is committed to empowering social development with financial services, doing a good job in developing inclusive finance and retirement finance, improving the breadth and depth of support for the real economy and our service capabilities to drive high-quality development, and contributing to efforts to revitalise rural areas. The Company takes solid actions to build our capabilities for proactive management to empower the long-term stable development of the capital market, provide wealth management services for our customers and promote prosperity for all.

Adding Variety to Inclusive Finance Products

CITIC Securities actively plays its role as a wealth manager, provides comprehensive, high-quality and multi-level financial services and asset management services and develops the investment advisory business through innovative inclusive finance products to enhance investors' sense of gain and help promote prosperity for all.

The Company has upgraded the wealth management service system for buyers' investment advisers in wealth management business, further strengthened investment schemes' capabilities for proactive design, and built a multi-level wealth management service system for buyers' investment advisers consisting of public fund investment advisers at the base level, FOF at the middle level, and special accounts at the highest level. The system covers risk levels from R1 to R5 and wealth management services for customers with investments ranging from RMB 10,000 to more than RMB 10 million, more effectively meeting customers' needs for personalized and diverse wealth management services in line with requirements on the development of inclusive finance.

In November 2023, CITIC Securities officially launched its asset management arm to seize opportunities in the asset management industry, keep abreast of inclusive wealth management trends, expand asset management business by integrating private placement and public offering, and respond to customers' wealth management needs.

Expanding Retirement-related Financial Services

CITIC Securities plays an active role in the construction of a multi-level and multi-pillar national retirement security system, steadily promotes the enterprise annuity and occupational annuity business, and contributes to the innovation and promotion of retirement products under the third pillar. In 2023, the Company focused on carrying out retirement-related financial investment management services and provided one-stop comprehensive retirement planning and asset allocation solutions that catered to investors' needs, based on our market insights, experience in product design, investment research and risk management, so as to continuously improve our capabilities for retirement-related financial investment management, risk management and relevant services. At the same time, we continued to carry out retirement finance campaigns on the Internet, social media and other channels to improve public awareness of retirement finance and related risks.

Promoting Prosperity for All

Social security and basic pension insurance

The Company is a qualified manager for shares transferred to and domestic investments by the National Social Security Fund, and for basic retirement insurance fund investments. The portfolios under management have generated good results, and the bond portfolio manager has won a three-year service award from the Social Security Fund.

Enterprise annuity and occupational annuity

As one of the qualified managers for occupational retirement fund investment management, CITIC Securities has established ties with enterprises across the country that have adopted an occupational annuity scheme. The Company helps them develop occupational annuity plans in accordance with laws, carries out asset allocation for occupational annuity funds, provides investment management plans in line with customers' risk appetite and expected returns, makes investments with occupational annuity funds, and regularly submits investment management reports to the trustees and relevant regulatory authorities. By the end of 2023, CITIC Securities managed **186** corporate annuity portfolios, with a net asset value of **RMB 120.559 billion**.

Driving Rural Prosperity through Industrial Development

For a country to be strong, its agriculture should be strong first. CITIC Securities continues to innovate financial products and services for rural revitalization, facilitate the allocation of financial resources to key or underdeveloped rural areas, leverage our financial and professional strengths, and mobilize employees to boost the development of designated areas, better meet diverse needs at multiple levels in the course of rural revitalization, promote the integrated development of urban and rural areas in order to move together towards prosperity.

Channelling Financial Resources into Rural Areas

CITIC Securities actively explores a financial service model designed to drive rural industrial development, channels resources from the capital market into rural revitalization, plays an active role as underwriter of multiple financial bonds for policy banks, provides support to ensure agricultural production and agrifood supply, and aligns with the rural revitalization strategy by taking practical actions. In 2023, CITIC Securities helped enterprises located in areas just lifted out of poverty issue **27** rural revitalization-themed and agriculture, rural areas and farmers-themed bonds, with a fundraising scale of **RMB 72.901 billion** and an underwriting scale of **RMB 15.955 billion**.



Promoting Prosperity for All

Bonds	Underwriting scale
The thematic bond series issued by the Agricultural Development Bank of China, such as the Support for Spring Ploughing-themed bond, the Support for Important Agricultural Products and Construction of Logistics Systems-themed bond, and the Support for the Stable Production and Supply of Grain and Important Agrifood-themed bond	RMB 7.46 billion
The Agricultural and Rural Infrastructure Series bond issued by China Development Bank	RMB 100 million



Case: Helping Gezhouba Group issue a Technological Innovation + Rural Revitalization + Old Revolutionary Base Areas-themed corporate bond

In August 2023, the Company helped China Gezhouba Group publicly issue a renewable corporate bond for technological innovation and rural revitalization purposes to professional investors on the Shanghai Stock Exchange. The bond is the first Technological Innovation+ Rural Revitalization + Old Revolutionary Base Areas-themed corporate bond in the market, raising a total of RMB **2 billion**. No less than **70%** of the proceeds will be allocated for the construction of highways for rural revitalization (supporting old revolutionary base areas). The project is expected to effectively improve the local transportation facilities, optimize the employment structure in local rural areas, promote local employment, improve rural productivity. It will play a significant role in promoting the revitalization and development of the old revolutionary base area in the Dabieshan Mountains.



Case: Helping China Gas issue a medium-term panda note for rural revitalization

In September 2023, the Company helped China Gas Holdings Limited successfully issue a medium-term note (rural revitalization), the first phase in 2023. This was the first medium-term panda note for rural revitalization in China's bond market that year, providing a source of funds for China Gas to serve the real economy and improve the energy structure in rural areas. The raised funds are intended to be used for the Replacing Coal with Gas in Rural Areas project in Leping County of Tangshan City, Hebei Province, which is related to rural revitalization. The project will help speed up the process of replacing coal with gas in rural areas, improve energy structure across villages and towns, increase the proportion of clean energy consumption, and drive local industrial and economic development.

Promoting Prosperity for All

Promoting Rural Prosperity through the Insurance + Futures Model

CITIC Futures is deeply committed to the Insurance + Futures model under which the Company takes a diverse range of measures for rural revitalization based on regional natural endowment and actual needs for industrial development, provides services directly for enterprises on the agricultural industry chain, and integrates small and medium-sized farmers into the industry chain, to create a stable source of income for them. In 2023, **95** Insurance + Futures projects involving **12** futures varieties were launched, with a year-on-year increase of **90%** in the number of projects. The projects provided a safeguard against price risks for **87,400** farmers, farmers' cooperatives, family-owned farms and agricultural related enterprises in more than 20 provinces and cities across the country. Under the projects, the company provided insurance for goods worth RMB **2.069** billion and paid RMB **50.83** million in compensation during the year.



Case: Driving local development in Yuanyang, Yunnan, through the Insurance + Futures model

Yuanyang County, Yunnan Province, is a designated area to which CITIC Securities is required to provide assistance. Based on its own strengths, the Company is committed to doing a good job in providing assistance through financial services. The Company takes the lead and provides funds, and the plans are implemented by CITIC Futures, to provide price insurance for the sugar industry in Yuanyang County and transfer and disperse the risks of sugar price fluctuations to the local sugar industry in order to ensure the source of income for sugarcane farmers, encourage planting and help local crushers operate steadily.

For the third year in a row, CITIC Futures carried out the Insurance + Futures + Order project in Yuanyang County, providing a comprehensive safeguard against sugar cane price risks for local farmers, and addressing the pain points in the local sugar industry chain. In 2023, the project amounted to RMB 2 million, covering more than 9,000 tons of white sugar, and paid more than RMB 840,000 in compensation, benefiting more than 990 sugar cane growers.

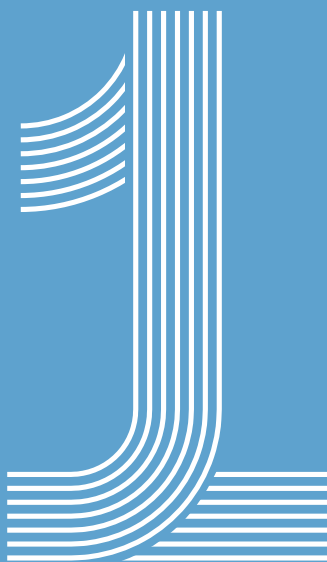


Case: Driving local development in Qianjiang, Chongqing, through the Insurance + Futures model

The pig industry is one of the three agricultural pillars in Qianjiang District, Chongqing, and also an important source of income for local farmers. Since 2021, CITIC Futures has carried out the Insurance + Futures project in Qianjiang District, provided 891 farmers with insurances of a total of RMB 39.682 million, and paid 1.5386 million in compensation. Thanks to the project, the local pig industry has accumulated experience. The project has been selected as an excellent ESG case for the ESG in China seminar at the Boao Forum for Entrepreneurs.

Helping Rural Areas Attract Investment

CITIC Securities is a key unit providing assistance to Yuanyang County of Yunnan Province. The Company goes deep to understand local circumstances and resources in order to help the county attract investment. In 2023, thanks to the Company's efforts, Dinosaur Land Group and Yuanyang County Government reached a strategic cooperation agreement on cultural and tourism projects related to the Hani Terrace Scenic Area and completed the planning for the Hani Terrace Live Performance Project and the Water Park Project. Preliminary preparations for the projects have already started. In order to further support local industries, the Company assisted Yuanyang County in investment attraction and application for policy loans for the projects.



Contributing to High-Quality Economic Development

CITIC Securities is committed to implementing the new development concept in the financial services area, attaches great importance to its role as a financial institution in promoting sustainable economic growth and national economic transformation, integrates ESG into various business operations, promotes responsible investment and green finance, and strives to generate economic, social and environmental benefits at the same time.

- Deepening Sustainability Investment and Finance Systems
- Providing Comprehensive Support for the Real Economy
- Promoting the Cultivation of New Quality Productive Forces
- Promoting the Cross-Border Development of Enterprises



Deepening Sustainability Investment and Finance Systems

Responsible Investment

CITIC Securities continues to improve its performance in responsible investment, and has formulated and issued the Statement of CITIC Securities Co., Ltd. on Responsible Investment, which fully describes the Company's organizational structure and management procedures for responsible investment, the responsible investment process, the strategy and its implementation, relevant research and exchanges, etc., to systematically promote the concept of responsible investment at the company level, and contribute to the sustainable development strategy.

Responsible Investment Strategy and Process

CITIC Securities has always attached importance to the impact of social and environmental factors in the investment management lifecycle, and actively incorporates ESG factors into the initial screening of investment targets, analysis by investment research teams, investment decision-making, post-investment management and other processes.

Responsible Investment Process

Target screening	Collecting ESG information through multiple channels, e.g. regulatory announcements, information about regulatory penalties, disclosures by listed companies, negative public opinion, due diligence, third-party databases and other publicly available information, and preliminarily screening investment targets.
Investment research team	The investment research team conducts qualitative or quantitative analysis on the investment targets with strategic positions, including on ESG factors, as a reference for investment decision-making.
Investment decision-making	Environmental responsibility, social responsibility and corporate governance are integrated into day-to-day business decision-making, and the target's ESG risks and opportunities are fully considered in the process of development the investment strategy.
Post-investment portfolio management	ESG performance and risk evaluation are covered in the Company's fund portfolio management and risk management, with a focus on changes in the portfolio's ESG rating and the resulting exposures.

Responsible investment strategy

Responsible investment strategy	Strategy adopted	Product category
Positive Screening	- 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. - The Company 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.	Listed equity Fixed income
Negative screening	- In the selection of investment targets, industries or enterprises that have significant negative impacts on society are excluded. Especially those where serious negative events such as serious pollutions and staff safety accidents have taken place are prudentially evaluated, factors considered including but not limited to impact on climate change, pollution and waste discharge, corporate governance, etc. - In the case of PE investments, independent due diligence is conducted on targets including ESG factors. Assessment opinions are issued, with further risk assessments performed on those that have a significant impact. - China Asset Management excludes specific industries and individual stocks that do not comply with ESG standards by formulating sustainability investment strategies and relevant guidelines.	Listed equity Private equity Fixed income
ESG integration	- In investment analysis and decision-making, the Company takes ESG factors into consideration and comprehensively evaluates the target's sustainable development capabilities and performance of social responsibilities. - In asset management business, the Company evaluates and tracks the target's ESG performance in the whole process, and integrates ESG factors into each business process as an important investment strategy. In the process of investment, the Company focuses on the prospectus and third-party reports, incorporates green factors into the fundamental research, and then conducts a comprehensive evaluation. - In fixed income business, the Company considers the target's ESG factors and conducts internal ratings, which are applied to business management. - China Asset Management applies an integrated ESG investment concept in the active equity accounts for all cross-border assets, with a size of about RMB 35 billion; several ESG-themed publicly offered fund products have been issued, with a size of about RMB 32 billion.	Listed equity Fixed income

Responsible investment strategy	Strategy adopted	Product category
Impact investment	- The Company focuses on important topics in China's future economic and social transformation and sustainable development, and actively invests in assets in sustainable development, rural revitalization and other fields. - By the end of 2023, the balance of bonds invested in green bonds, rural revitalization bonds and other bonds in the Company's asset management portfolio amounted to RMB 42.297 billion, an increase of 10.61% over the previous year; the Company was involved in 11 rural revitalization-themed bonds of RMB 8.42 billion, and the funds raised were used to provide loans for rural revitalization, ecological protection, spring ploughing and other fields related to agriculture, rural areas and farmers.	Listed equity Fixed income
Sustainability-themed investments	- The Company invests in green bond and carbon neutrality bonds, and keeps an eye on targets related to sustainable development themes such as environmental protection, clean energy and the new energy industry. - In 2023, the Company provided financing support for high-quality enterprises engaged in power exchange, energy storage, new energy batteries, carbon emission governance, etc. by participating in IPOs and private placements of listed companies, with a total size of about RMB 2.9 billion, as part of its efforts to explore industrial value under the guidance of the 30/60 carbon policy.	Listed equity Fixed income
Active shareholders	- The Company actively exercises its rights as shareholder to encourage investees to create positive impacts on the environment and society by communicating with investees on ESG issues and through other means to help them improve their ESG performance. - For targets whose shares are held on a long-term basis, the Company encourages researchers to highlight ESG standards in their research with listed companies to encourage them to improve their ESG performance. - China Asset Management carried out researches on 19 listed companies and communicated with 13 of them on sustainability issues. They responded positively, resulting in improved ESG ratings for some listed companies' ESG ratings.	Listed equity
ESG investment philosophy	The Company actively promotes the ESG investment concept among institutional investors through strategy studies and the creation of structured products, and integrates it into related financial products. In 2023, the Company cooperated with several ESG data providers to integrate relevant ESG data into index investment strategies and assist banks and other financial institutions to develop ESG financial products.	Listed equity Asset allocations

Responsible Investment Practices

CITIC Securities is committed to responsible investment and to implementing responsible investment in its business operations. The Company follows the responsible investment strategy when making investment decisions, pays attention to assets with ESG attributes, including creditor's rights assets for the development of green finance, rural revitalization, environmental protection, etc., fund products where stocks are selected based on ESG factors as the main criteria, and listed companies that are assigned high ESG ratings by professional institutions.

ESG-themed Products

The Company actively develops ESG-themed strategic products to provide diversified investment services for customers.

- The CITIC Securities Fixed Income ESG Strategy No. 1 Private Placement Collection Plan: by the end of 2023, the total scale reached **RMB 210 million**, with the amount invested in ESG-themed securities accounting for no less than **80%** of the net value.
- The CITIC Securities Quantitative ESG Strategy No. 1 Private Placement Collection Plan: Based on the price and volume signals from existing quantitative strategies, positive exposures are made on ESG factors compared with the underlying index to build an enhanced ESG index-linked portfolio; ESG factors are developed based on the ESG rating assigned by the Company's Research Department as the underlying data.
- The fixed income portfolio has been integrated into ESG investment strategy, with a total scale of approximately **44.9 billion**. For portfolios of this kind, reference is made to the bond issuer's ESG rating issued by ChinaBond. A floor is set for the weighted ESG ratings of fixed income assets as a guarantee for the overall ESG performance, and a cap is set on investment for assets with low ESG ratings.
- The Company assisted commercial banks to develop their ESG index strategies which raised a cumulative amount of approximately **RMB 14.23 billion**, and the newly raised funds in 2023 amounted to approximately **RMB 2.13 billion**.
- Based on the established climate goals, Huaxia Fund completed the construction of a carbon emission data module for its investment portfolios in the investment research system in 2023. The portfolio carbon data module enables daily update and calculation of a portfolio's total carbon emissions and intensity to be compared dynamically with the main broad base indexes and can track changes in a portfolio's total carbon emissions and intensity in the investment research system.

ESG Integration

The Company actively invests in ESG-themed bonds such as carbon neutrality, green and sustainability bonds, and controls investments into industries with high consumption of energy, serious pollution and excess capacity. A third-party ESG rating system has been applied to quantitatively evaluate equity investment targets. In 2023, the proportion of targets rated **BBB** or higher under the rating system and in which the Company had holdings rose from **78.77%** to **91.51%**.

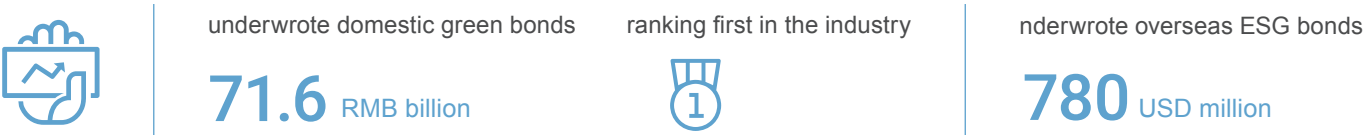
Impact Investment

The Company pays close attention to key policy trends such as energy transition, food security, and healthcare. In investing, the Company continues to focus on the wind power, photovoltaic, inverter, and new energy vehicle industry chains, and industries such as grain seed, raw pork food and biomedicine, and keeps an eye on opportunities in industries including scientific research, technical services and information transmission, software and information technology.

Sustainability Finance

CITIC Securities continues to promote sustainability finance, explore value creation in industries aligned with 30/60 carbon policies, actively underwrite ESG-related bonds, help issue sustainability and blue bonds, and channel capital into industries and projects such as climate change, low carbon emissions, and sustainability.

In 2023, CITIC Securities underwrote domestic green bonds of RMB 71.6 billion, ranking first in the industry, and underwrote overseas ESG bonds of USD 780 million.



Debt financing

- CITIC Securities helped Huzhou City Group issue Huzhou’s first overseas sustainability bond, with an issue scale of **USD 300 million**.
- The Company helped Fujian Zhanglong Group issue a blue bond of **USD 500 million**, the first overseas blue bond issue by a non-financial state-owned enterprise across China.
- As the lead underwriter, the Company participated in the issuance of the 20-year network infrastructure-themed financial bond of **RMB 3 billion** issued by National Development Bank, and the raised funds were mainly intended for the construction of major water conservancy projects such as the middle route of the South-to-North Water Diversion Project to divert water from the Yangtze River to the Hanjiang River.
- As the underwriter-market maker, the Company helped China Development Bank successfully issue the first Inclusive Education-themed financial bond, with an issue scale of **RMB 15 billion** and a five-year maturity. The raised funds were mainly intended to support national student loans and increase financial support for students from economically disadvantaged families.
- The Company cooperated with domestic and foreign asset managers in developing more than 10 ESG related products and concluded nearly 100 bond transactions with investors investing in ESG bonds, with a total face value of **RMB 1.1 billion**. The types of bonds include green government bonds, green financial bonds, green notes, green panda bonds, etc.



Equity financing

- The Company helped REPT successfully list its shares on the Hong Kong Stock Exchange, raising a total of **USD 272 million**, which was the largest new energy IPO in the Hong Kong capital market in 2023.
- The Company completed the largest pure renewable energy IPO project in Southeast Asia's history, helping PT Pertamina Geothermal Energy Tbk list its shares on the Indonesian Stock Exchange.
- CITIC CLSA's flagship USD Fund China Market invested in a leading new energy battery testing company in 2023 which provides testing services at the R&D stage for renewable energy related products. These services are key to high-quality renewable energy products and create important value in the renewable energy industry chain.

ESG Research Services

CITIC Securities continues to work hard in sustainability and ESG research. The Company has established a dedicated ESG research team of professional analysts to carry out cutting-edge research and has formed a relatively complete ESG research system. The Company actively explores an ESG service model for listed companies, participates in exchanges and accountability actions in the ESG field, and helps drive the sustainability of the real economy. In 2023, CITIC Securities was recognized as the Best ESG Research Institution by Wind.

Providing ESG Services for Listed Enterprises

Provided one-on-one ESG communications and training for listed companies nearly

200

Relying on its strengths in ESG research, the Company applies relevant achievements to provide ESG counseling for listed companies, and guides listed companies to practice green and low-carbon development concepts and fulfill their social responsibilities in terms of ESG disclosure, ESG governance structure, carbon emissions and measurement of climate value at risk of assets. In order to provide efficient ESG services for enterprises, the Company has iteratively developed panoramic, digital and intelligent ESG services by employing artificial intelligence-driven models, specialized databases and other technical means. The modules include ESG evaluation for listed companies, ESG research for bond markets, ESG analysis on asset management products, ESG index characteristics, tracking of ESG hotspots in the market, ESG data supermarket, etc. In 2023, the Company's ESG research team provided one-on-one ESG counselling for nearly 200 listed companies, and established ESG-centered partnerships with dozens of companies.

Participating Actively in Sustainability Actions

Number of
teleconferences held

19

The Company actively holds ESG conferences, cooperates with external institutions to spread the ESG concept, and participates in seminars on ESG, sustainable finance and other fields as a think tank. Special ESG sessions were organized in the 2023 Capital Market Forum and the 2024 Annual Capital Conference held by the Company in the year to share ESG research results with market participants. In 2023, a total of 19 teleconferences were held to communicate the latest trends in ESG research in a timely manner.

In 2023, China Asset Management launched the China Climate Engagement Initiative (CCEI) jointly with 23 other large institutional investors and became the first Chinese investor member of the Farm Animal Investment Risk and Return Initiative (FAIRR). China Asset Management also actively participated in discussions on zero carbon-related financial disclosures in China organized by the Principles for Responsible Investment (PRI) and the China Seminar organized by the Asia Investor Group on Climate Change (AIGCC) to engage in exchanges on sustainability investment practices with domestic and foreign financial institutions.

Expanding ESG Research

Number of ESG-related
research reports published

38

The Company continues to optimize the ESG research system, and has developed multiple in-depth thematic research series, including the ESG rating system, the ESG investment strategy, corporate ESG services, and regular ESG tracking. In 2023, the Company published 38 ESG-related research reports.

ESG Evaluation System Series	• Restructuring the topics and indicators of the ESG evaluation system for enhanced reasonableness and effectiveness, adding variety to the indicators, expanding data sources, and covering H-share targets. • Launching seven industry-specific ESG evaluation systems, including passenger car, photovoltaic, software, beauty, power battery, aviation, and metals. • Establishing a fixed income ESG rating system to cover general issuers and urban investment bonds, expanding the scope of targets in ESG evaluation.
ESG Investment Strategy Series	• Launching special climate research to help financial institutions calculate their carbon footprint and climate risk level and the climate value at risk of their portfolios.
ESG Enterprise Service Series	• Evaluating ESG risks and opportunities for enterprises in a targeted way based on industry characteristics, identifying cases of ESG disclosure to empower corporate ESG governance.

ESG comments and regular tracking series	Analyzing the ISSB standards and the ESRS standards in detail, and tracking ESG news across capital markets, AUM and indicators of its ESG evaluation system on a weekly basis.
Digital intelligent innovations in ESG	Iteratively developing panoramic, digital and intelligent ESG services by employing artificial intelligence-driven models, specialized databases and other technical means, including ESG evaluation for listed companies, ESG research for bond markets, for comparison and benchmarking purposes.

CITIC CLSA has incorporated ESG research into analysts' performance evaluation and required all analysts to attach importance to and participate in ESG-related research, carry out research on major sustainability factors covering corporate governance, environmental and social issues in order to provide comprehensive sustainability/ESG research products to meet the diverse ESG investment needs of institutional customers. In 2023, CITIC CLSA completed a total of 350 ESG related studies in which 100% of its analysts participated.

In 2023, CITIC CLSA completed a total of 350 ESG related studies

350

in which 100% of its analysts participated

100%

CITIC CLSA's achievements in ESG research

- CG Watch 2023: the 13th issue jointly released with the Asian Corporate Governance Association to encourage market participants to work together to optimize the corporate governance ecosystem.
- Sustainable Asia Manifesto: which provides stakeholders with guidance on how sustainability creates value for investors and showcases 15 Asian companies' capabilities for sustainability investment based on actual cases.
- Climate governance case studies in Asia Pacific: a case study jointly conducted with the Asian Corporate Governance Association (ACGA) based on the TCFD framework to assess the actions and preparedness of selected listed companies to address climate change.
- ESG tool enhancement: an improved ESG rating system which comprehensively considers disclosed data and analysts' insights on major ESG issues to optimize ESG analysis tools and indicators for ESG health check.



Providing Comprehensive Support for the Real Economy

CITIC Securities actively aligns with key national strategies, leverages the multi-level capital market system to help enterprises with fundraising and acquisitions, further improves the Company's capability for high-quality financial services, and effectively serves the development of the real economy.

Boost Regional Economic Development

CITIC Securities focuses on regional development strategies, integrates and optimizes its own resources, continues to strengthen the support for key national strategies for regional development such as the Beijing-Tianjin-Hebei strategy, the Yangtze River Delta strategy and the Guangdong-Hong Kong-Macao Greater Bay Area strategy, constantly improves the regionally differentiated financial service system to fully meet key areas' financial needs, and contributes to high-quality regional development.

- ★ The Company helped Voolga list its shares on the GEM of the Shenzhen Stock Exchange, the only A-share IPO in Heilongjiang in 2023
- ★ The Company helped Yinxing Energy, a listed new energy power generation platform under Chinalco, issue shares to specific investors
- ★ The Company helped Shaanxi Energy, a leading enterprise engaged in the transformation of coal resources into electricity in Shaanxi Province, list its shares on the main board of the Shenzhen Stock Exchange, one of the first listed enterprises under the main board registration system
- ★ The Company helped Honglin Electronic, one of the leading enterprises in the global power cord component industry, list its shares on the GEM of the Shenzhen Stock Exchange
- ★ The Company helped Peric Special Gas engaged in electronic special gas R&D and production list its shares on the STAR market of the Shanghai Stock Exchange, becoming the first enterprise in Hebei Province to be listed on the STAR market.
- ★ The Company helped CIMC Safeway Technologies, a global leader in the tank container industry, list its shares on the GEM of the Shenzhen Stock Exchange
- ★ The Company helped China Rare Earth Group issue shares to specific investors, the group's first move in capital markets post restructuring
- ★ The Company helped Guangdong Construction Group, an infrastructure construction enterprise, go public, the first state-owned enterprise in Guangdong Province to list its entire operation on an exchange.



Case: Helping diversify financial cooperation in Guangdong, Hong Kong and Macao

In 2023, CITIC Securities helped Guangdong Provincial Government and Shenzhen Municipal Government with the issuance of a number of offshore RMB bonds as part of the Company's efforts to promote modern financial cooperation and financial connectivity in Guangdong, Hong Kong and Macao, and help improve the regional economy and its ability to grow organically.

- As the joint book manager and joint lead underwriter, the Company helped the People's Government of Guangdong Province successfully issue offshore RMB local government bonds of RMB 2 billion with a maturity of 3 years, in Macao, China, in August 2023, which were the first green local government bonds issued in Macao, China.
- As the joint global coordinator, joint book manager and joint lead underwriter, the Company helped the Shenzhen Municipal Government issue offshore RMB local government bonds of RMB 5 billion in Hong Kong, China.



Case: A smart warehousing logistics fund jointly established by CITIC Goldstone Fund and JD Property

In December 2023, CITIC Goldstone Fund and Jingdong Property Inc. completed the fundraising for and registration of Jingdong Goldstone (Nanjing) Smart Logistics Investment Partnership (Limited Partnership). The fund has a scale of RMB 4 billion and its core strategy is to investing in high-standard warehouses operating steadily, with proposed investments in 14 high-standard warehouses located in 13 cities in the Guangdong-Hong Kong-Macao Greater Bay Area, the Yangtze River Delta, and the Beijing-Tianjin-Hebei. The total construction area is about 1.578 million square meters. By the end of 2023, the targets have been operating steadily and meet the criteria for public REITs for warehousing and logistics infrastructure.

Serving Privately Owned and Small and Medium-Sized Enterprises

Small and medium-sized enterprises and privately owned enterprises are a major force of national economic and social development, and play an important role in promoting growth, ensuring employment, activating the market, and improving people's livelihood. CITIC Securities has actively helped innovative SMEs and ZJTX enterprises to raise funds and grow. In 2023, the Company acted as underwriter for equity worth **RMB 1.3 billion** listed on the Beijing Stock Exchange, the largest size in the market.



Case: Helping drive the development of SMEs through securitization of intellectual property rights

In 2023, as special plan manager, CITIC Securities participated in four ABS products led by Shenzhen High-Tech Investment Venture Investment Company Limited, with an issuance scale of **RMB 1 billion** and with **107** intellectual property rights pledges, meeting the funding needs of **52** small and medium-sized sci-tech innovation enterprises. The intellectual property rights securitization project carried out by CITIC Securities and Shenzhen High-Tech Investment Group has provided a feasible fundraising solution for some SMEs which do not have easy and quick access to cheap funds.



Case: Helping BHGB, a leading manufacturer of HPV vaccines, list its shares on the Beijing Stock Exchange

Beijing Health Guard Biotechnology, Inc.(BHGB) is mainly engaged in the development and commercialization of recombinant protein vaccines and has the most diversified HPV vaccine portfolio in the world. Its core technology is structure-based antigen design. In 2023, the Company acted as sponsor for BHGB which successfully listed its shares on the Beijing Stock Exchange, becoming the first manufacturer of human vaccines to be listed on the Beijing Stock Exchange, and also the first innovative biomedicine company applying for listing on the exchange under the fourth set of standards since the exchange's opening.

The Company actively helps privately owned enterprises with equity and bond financing and supports the sustainable and healthy development of the private sector. In 2023, the Company completed 74 equity financing projects, with an underwriting scale of RMB 88.5 billion, and 165 debt financing projects, with an underwriting scale of RMB 64.5 billion, for private enterprises.

Equity financing
projects

74

with an underwriting scale
of RMB 88.5 billion

88.5 RMB billion

Debt financing
projects

165

with an underwriting
scale of RMB 64.5 billion

64.5 RMB billion

- The Company has assisted the convertible bond issuance of JA Solar Technology Co., Ltd, a global benchmark photovoltaic enterprise to accelerate its development in the main industrial chain;
- The Company participated in **38** ABS projects by online finance companies, with an underwriting scale of **RMB 26.3 billion**, helping private enterprises such as JD, Duxiaoman, Qifu Technology, PingAn Inclusive Finance expand their fundraising channels. Of these projects, **21** were backed by consumer loans to individual consumers, facilitating financial services for individual consumers, while the other **17** were backed by business loans to SMEs, providing financing support for the development of SMEs.
- The Company helped Junxin Corporation acquire **63%** of the shares of Hunan Renhe Environment Co., Ltd. by issuing shares and paying cash, and raise an amount of **RMB 1.5 billion** to support the enterprise in building its presence in urban solid waste treatment.

Enhancing Employees' Awareness of Supporting the Real Economy

CITIC Securities actively provides financial services for the real economy, organizes young employees to visit enterprises engaged in the real economy, and strives to enhance employees' awareness of supporting the real economy, in order to fulfill our corporate responsibility as a financial institution.

Case: Visits by young employees to enterprises engaged in the real economy

In August 2023, young employees from the Company and CITIC Metal visited the plants of CITIC Jinzhou Metal, a subsidiary of CITIC Metal, and of CITIC Titanium, including research and development centers and workshops. They had discussions and exchanges with the company leaders and their counterparts and were briefed on the achievements of CITIC Jinzhou Metal and CITIC Titanium in contributing to the country's self-reliance in terms of technologies and aligning with key national strategies to draw inspiration from their experience in relying on young employees to drive technological breakthroughs and deal with urgent and big challenges.



Promoting the Cultivation of New Forces of Production

New forces of production play a leading role in technological innovation and are an important foundation for realizing Chinese-style modernization and high-quality development. CITIC Securities leverages its professional advantages, focuses on high-tech and emerging industries, provides services for enterprises in IPOs, equity refinancing and acquisitions, invests directly in enterprises, help them ease financial constraints in a timely manner and channels more financial resources into strategic emerging industries to accelerate the cultivation of new forces of production.

Helping Companies Engaged in Technological Innovation with Equity Financing

CITIC Securities contributes to the high-quality development of technology companies and those enterprises that integrate innovation and creation with new industries, business models and technologies, and ZJTX enterprises, through high-level and specialized comprehensive capital market services. In 2023, CITIC Securities completed a total of 24 STAR market projects, with an underwriting scale of RMB 29.2 billion, ranking first in the market in terms of the number of projects, and 30 GEM projects, with an underwriting scale of RMB 35.8 billion, ranking the first in terms of both the number of projects and the underwriting scale; completed 5 Beijing Stock Exchange projects, with an underwriting scale of RMB1.3 billion, ranking first in the market.

STAR market projects	with an underwriting scale	completed GEM projects	with an underwriting scale	Beijing Stock Exchange projects	with an underwriting scale
24	29.2	30	35.8	5	1.3
	RMB billion		RMB billion		RMB billion

New-generation information technology industry	The Company helped Intellif, list its shares on the STAR market, helped Honglin Eletronic, list its shares on the GEM, and helped Raytron, issue convertible bonds.
High-end equipment manufacturing industry	The Company helped CIMC Safeway Technologies, list its shares on the GEM, assisted Aima Tech, in issuing convertible bonds, and helped Atexco, with a private placement settled in cash.
New material industry	The Company helped China Aviation Supplies, and Peric Special Gas, list their shares on the STAR market, and helped Jiangnan New Materials, list its shares on the main board of the Shanghai Stock Exchange.
Biomedical industry	The Company helped Voolga, list its shares on the GEM, helped AGS MedTech, list its shares on the STAR market, and helped Sanbo Brain, list its shares on the GEM.
New energy, energy conservation and environmental protection industry	The Company helped Shaanxi Energy, list its shares on the main board of the Shenzhen Stock Exchange, helped Tianneng Heavy Industry, with a private placement settled in cash, and helped Xinan Technology, list its shares on the GEM.

Helping Companies Engaged in Technological Innovation with Debt Financing

In 2023, CITIC Securities completed 174 bond issuance projects by companies engaged in technological innovation, with an underwriting scale of RMB 73.6 billion, ranking first in the industry.

The Company helped Gezhouba Group issue the first Technological Innovation + Rural Revitalization + Old Revolutionary Base Areas themed corporate bond across the markets, leveraging technological strengths to support the revitalization and development of old revolutionary base areas; helped Three Gorges Group issue long-term technological innovation corporate bonds, contributing to continuous improvements in the core operating and construction capabilities of key large hydropower companies and wind power equipment manufacturers; helped China Merchants Group issue its first technological innovation corporate bond, assisting its efforts to build a presence in strategic emerging industries.

Contributing to Technology Companies' Integration and Innovation



Case: Assisting Sinopack Eletronic in issuing shares to purchase assets and in raising funds for the purpose

In November 2023, as an independent financial advisor, the Company served Hebei Sinopack Electronic Technology Co., Ltd. to complete the issuance of shares to purchase assets as well as raise supporting funds. The Company assisted Sinopack in restructuring the asset and application of 3rd-generation semiconductor to inject into the listed companies, helping it being a domestic first-class high-tech enterprise in the semiconductor sector with core capabilities such as GaN RF chips and devices for communication base stations, SiC power modules and the applications, and electronic ceramics.

Promoting the Cross-Border Development of Enterprises

CITIC Securities continues to deepen vertical integration and management at home and abroad and improve its international service capability. The Company helps overseas customers come in and domestic customers go out, and accelerates the development of cross-border business, innovates the linkage between domestic and overseas platforms, and helps enterprises make good use of the markets and resources at home and abroad.

Helping Businesses along the Belt and Road

CITIC Securities actively responds to the Belt and Road initiative, promotes its international development, and optimizes its global presence. It has the largest number of branches in countries and regions along the Belt and Road which enables it to drive financial cooperation and business development locally.

As a think tank	The Company has built platform for in-depth communication and provides a series of research reports on Belt and Road-related topics
Professional competence	The Company deepens efforts to explore overseas investment value and provides support for investment banking projects in countries along the Belt and Road
Advantages in investment and financing	The Company keeps an eye on investment opportunities and has established a Belt and Road investment fund
Financial services	The Company systematically addresses the financial demands, and meets the development needs, of enterprises along the Belt and Road
Advantages in cross-border transactions	The Company is involved in the development of overseas bond markets and actively participates in bond market-making services related to the Belt and Road.



Case: GDR issuance projects to help Chinese enterprises develop internationally

CITIC Securities leverages its industry-leading experience and professional strengths in GDR issuance to help Chinese enterprises develop internationally. In 2023, it assisted seven Chinese enterprises to complete their GDR issuance projects in Europe, with an underwriting scale of **USD 445 million**, establishing the Company as a leader in the market. For example, the Company helped Hangke Technology, a leading manufacturer of lithium battery post-processing equipment, complete its first GDR issuance on the STAR market, and helped Huayou Cobalt, a global leader in lithium battery materials, issue GDR on the Swiss Exchange, the largest GDR issuance in 2023.



Case: Leveraging the Company's global network to provide financing services for enterprises along the Belt and Road

CITIC Securities actively implements the Belt and Road initiative and leverages its professional strengths as an investment bank and its global network to provide increased support for key areas of cooperation areas along the Belt and Road, help enterprises raise funds, and promote economic development and cooperation among relevant countries. In 2023, the Company ranked third in the Philippine market and fourth in Indonesia in terms of equity underwriting. The Company helped Rongsheng Petrochemical find a strategic investor in Saudi Aramco, and help PT Amman Mineral Internal Tbk list its shares, the largest IPO in Indonesia in 2023.

Innovating Cross-Border Financial Products

CITIC Securities has continuously optimized its product management hierarchy, and has effectively implemented and improved the agency sales, allocation, scenario services and other models. The Company has designed and built a cross-border product portfolio to help customers reduce risks arising from undiversified holdings and empower overseas wealth management business.

A digital wealth management product store	For the Hong Kong financial market, the Company has built an online wealth management product store featuring a diverse range of financial products such as funds, bonds and structured notes, to establish and standardize online business processes.
New-generation localized mobile terminals	The Company is committed to creating mobile terminals that are better aligned with the habits of local customers in Hong Kong. In creating such terminals, the Company has adopted new UI design specifications to enable functions including multilingual, market trends, push notices.
New-generation overseas trading systems	The Company has fully adapted to wealth management business processes in Hong Kong and has promoted the construction of new-generation overseas trading systems with digitalization and automation to reduce middle and back office operations, improve the efficiency of business processing, and expand the customer base for financial services.

Strengthening Compliance in Cross-Border Business

CITIC Securities deepens integrated compliance management across domestic and overseas operations and promotes the integration of compliance management functions across the world. It has built a global, information-based compliance management framework. Building on existing domestic and overseas compliance management reporting mechanisms, the Company continues to implement the mechanisms for the reporting of major events and for regular meetings and increases investments in the construction of domestic and overseas compliance management systems. by launching the Global Anti-Money Laundering System and the Global Central Control Room projects respectively.



Leveraging Digital and Intelligent Technology to Provide High-Quality Professional Services

CITIC Securities adheres to the customer-centered approach. As an innovator of financial technology (FinTech), the Company applies our achievements to strengthen independent research and development and continuously promote the digital transformation of the enterprise, and is committed to building a standardized, platform-based and refined customer management system to adapt to the market changes and customer needs.

- Deepening FinTech Innovation
- Continuously Improving Customer Experience
- Protecting Customer Rights and Interests
- Actively Listening to Customers



Deepening FinTech Innovation

CITIC Securities flexibly uses various technical means to optimize and update our system architecture, as well as enrich and improve the functions of various clients to meet the diversified customer needs. We also promote the Company's digital transformation across all businesses, all processes and all models to deploy a comprehensive platform solution for our information technology system.

FinTech Planning and Management

The Company actively develops FinTech-driven business to make a long-term planning, layout and practical research around the 3 dimensions of employees, customers and products in terms of intelligent, customized and diversified data analysis and mining, to focus on making business digitally intelligent, service ecological, and management refined, as well as improving its IT governance level, IT capability, and supports for various businesses.

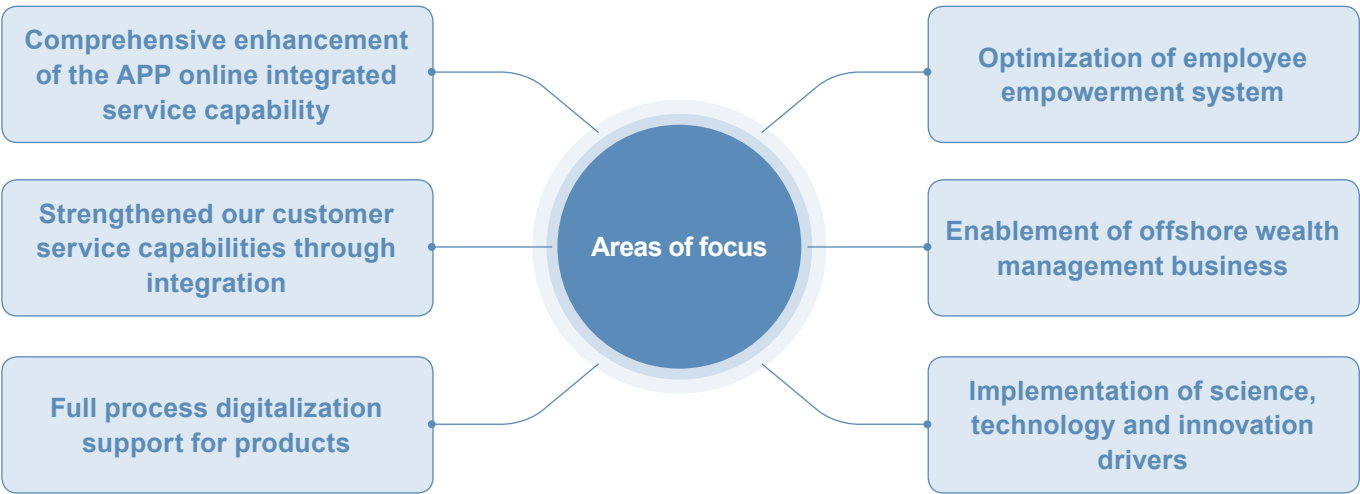
Enhanced system capability	We improved the system architecture through optimization and updating to enhance the capability of various trading systems in terms of trading speed, system capacity, business functions, professionalism and customer experience.
Optimized service ecology	We provided artificial intelligence technology services for the Company's internal and external parties through the artificial intelligence platform and applied in the areas of intelligent customer service and intelligent investment consulting. We enriched and improved the functions of various clients to meet new customer needs.
Cultivating the talent pool	We continuously expanded our financial technology talent team, constantly recruited information technology talents, organized all kinds of professional and technical training, created a professional, complex and international talent team, with about 1,900 financial technology talents, accounting for 7.1% of the total number of employees.

Digital Transformation

CITIC Securities promoted business innovation and technological innovation to drive each other, realized the integration of a series of cutting-edge technologies, such as artificial intelligence and big models, blockchain, cloud computing, big data and other application scenarios in the securities industry, in order to realize the application of our digital transformation across all businesses, all processes and all models.

Business Development Support

Based on the big model platform, big computing power cluster and AI data center, the Company has completed the construction of our AI middle office consisting of AI basic product matrix, intelligent applications, API gateway and front-end display, etc., to provide AI technology services for various internal and external customers. We continuously carried out iterative optimization of the components and architecture of each information system to ensure the safe, reliable and efficient operation of our information system, reduce system latency, enhance the capacity, performance, security and reliability of our information system, and promptly solve the needs and problems of the business departments, so as to realize the rapid development of our innovative business, distinctive new functions and various new business requirements.



Optimizing intelligent service

The Company fully utilized its scientific and technological advantages in vertical areas, closely tracked the development of cutting-edge technology in the industry, and actively explored the application of generative AI and big models in various scenarios. We independently developed intelligent voice assistants, which can recognize the user's intention through the inputted voice information, and provide practical functions such as product analysis, navigation of system functions, interpretation of data caliber, and retrieval of business knowledge, so as to enhance the agility of its technological services. In 2023, the Company accessed intelligent robots in enterprise WeChat and APP, utilized knowledge graph, generative AI and other technologies to continuously improve and enrich the knowledge base across business lines, and provided services such as Q&A consulting and intelligent customer service, which effectively enhanced the efficiency and experience of customer service.

Continuously Improving Customer Experience

CITIC Securities continued to improve our multi-level, personalized, all-asset product and service system, continued to enhance the breadth of customer coverage, optimized and improved the product and service experience of customers across all processes, and is committed to discover and fulfil customer needs throughout our service journey by leading the way to deliver professional values.

Optimisation of Business Processes

In 2023, the Company made efforts to promote service standardization, formulated and issued a compendium of branch business operation systems and processes to provide a basis for the standardized management of customer online and offline service processes and outlet services, so as to effectively improve our service level.

 Online services	• We improved self-service personal business, added new functions such as online self-service account opening for on-market closed-end fund accounts, mobile phone number reset for Shenzhen, Hong Kong, Macao and Taiwan customers, and account cancellation for Hong Kong Stock Connect accounts. • We optimized off-site services such as opening of Beijing Stock Exchange privileges, modification of basic customer information, fund account opening, and opening of bond reverse repurchase privileges. • We optimized the recording Q&A mode of video testimonials for customer self-service business to enhance the convenience of customer business processing.
 Offline services	• We continuously collected opinions and suggestions from customers and counter personnel, quickly responded to optimize all kinds of business processes in a timely manner, focused on simplifying the handling of customers for the cancellation of small capital accounts of deceased investors and took our customer care service to a new level by serving with our warm hearts.



Case: Focusing on Customer Needs to Create an Exclusive Service Experience

In 2023, the Company continued to enhance the sense of "familiarity" and "trust" of our customers, as well as further improved the customer evaluation system from the perspective of customer needs. We also classified our customers in four dimensions: "Asset", "Identity", "Growth Potential" and "Value Proposition". The Company built a team of experts with comprehensive service capabilities and set up a full range of services including paying visits before investment, providing team services during investment and delivering content services after investment. By fully integrating the service scenarios of customers' lives, we provided customers with comprehensive financial solutions and precise and professional service experiences throughout their life cycle.

Enrichment of Product System

The Company developed and built a multi-level product system from the perspective of customer needs to provide customers with a full range of accompanying services.

Product type	Accompanying services
Private placement product	We launched new allocation FoF Xinying Series (stable, balanced and active) and Wealth Anying Series (stable) to meet customers' allocation investment needs through allocation FoF, improve customers' investment experience and strengthen the foundation of wealth management business.
Public placement product	We developed systematic and digitalized service modules for public placement to assist customers in analyzing the characteristics of fund positions. A new fund position analysis module is added to the mobile trading terminal, which visually displays product returns, asset allocation, sector styles and other characteristics to help customers understand their individual portfolios and assist them in their next investment decisions.
Fixed income products	In response to the demand of high-net-worth customers for alternatives to bank wealth management, the Company launched the "Yuewan Xinxian" Series for individual customers, with maturity periods covering 3 months, 6 months and 12 months; we also introduced the group insurance of CITIC-Prudential Life and launched the first family service trust business in the securities industry.
Buy-side investment allocation	On the basis of Wealth SiXiang/XinXiang R5 Series products, R2, R3 and R4 Series products have been launched to satisfy more diversified allocation needs of our customers; "Profit Wealth Management" Series products and non-managed investment consulting services have been newly launched for the low starting point of fund investment consulting business. We have improved the investment advisor allocation service system to provide customers with high transparency and high frequency of service contents.

Adaptation for the Elderly

The Company listened to the needs of the elderly customer group and focused on optimizing the CITIC Securities e-investment APP in response to the difficulties of some of the elderly customers in the use of smartphone technology. We combined in depth the specific operating habits of the elderly users and provided the elderly users with a more comprehensive, attentive and direct facilitation services.

Measures	Description
Interface optimization	In order to facilitate the reading process of elderly users, we provided candlestick chart enlargement, cell phone screen horizontal display and other features to facilitate their user experience when executing trading, using self-service and reading industry news.
Audio broadcast	With the introduction of audio broadcast function, elderly users and visually impaired people can understand the information in the form of voice playback. We also launched special audio-video columns, such as "Bring You to Know the Fund Managers" and "Three Minutes to Read and Understand the Listed Companies" to effectively assist users with reading difficulties.
Voice customer service	In order to solve the problem of typing difficulties of elderly users and visually impaired people, we provided intelligent voice service, which can communicate with customer service by voice message, quickly reach the business needs and solve the problems encountered in the use of software.
Video service	We created a new live video channel, integrated all kinds of financial video live columns in the APP and optimized the audio-visual experience of elderly users.
Operation guide	We launched the operation guide of e-investment APP to provide guidance for elderly users on using the elderly-adapted version more quickly and provided a visual-friendly portal to the "elderly-adapted" version, allowing users to switch to the elderly-adapted interface with a single click.

Protecting Customer Rights and Interests

CITIC Securities attached great importance to the protection of customers' rights and interests, continuously strengthened our employees' awareness of service and compliance and took the initiative to fully disclose the risks of our products or services to customers during the service process. We also adopted a variety of measures to safeguard the compliance of our services in terms of the system and process, continuously strengthens the management of appropriateness, and fully safeguards the rights and interests of our customers.

Customer Suitability Management

In 2023, CITIC Securities fully implemented the relevant regulatory requirements of the Administrative Measures for Securities Brokerage Business regarding suitability matching and ongoing suitability management. We adjusted the brokerage business related account opening and trading privilege opening to match with the high-risk level, increased the understanding of investors' previous trading compliance in the investor understanding session during the account opening, upgraded the warning notification of mismatch of existing products or services after downgrading the risk level of existing customers and collected feedback from investors regarding the opening of accounts and trading privileges. At the same time, the Company continued to carry out self-inspection of suitability management of branches, requiring branches to submit self-inspection reports and implement rectification to fully protect the legitimate rights and interests of investors. The Company also organized and conducted relevant training for compliance commissioners and business operation personnel of branches on suitability management.

Product and Service Review

CITIC Securities has a Product Committee, which serves as the decision-making and management body for the evaluation of our new products and new businesses. It is responsible for guiding the internal control function and other relevant departments to carry out the evaluation of new products and new businesses, conducting strict prior review of matters relating to the protection of the rights and interests of financial consumers, promptly identifying and correcting problems in financial products and services that may harm the legitimate rights and interests of financial consumers, and issuing relevant approval opinions. The Company has continuously optimized the tiered product management mechanism and, on the basis of ensuring compliance and prudence, has moderately improved the efficiency of some of its product offerings in light of market and customer demand.

Privacy Policy and Protection

CITIC Securities attached great importance to the rights and interests of personal information and has formulated the "Trial Measures for the Protection of Personal Information of CITIC Securities Co., Ltd." in accordance with the Securities Law, the Data Security Law, the Personal Information Protection Law and other laws and regulations. The Company publicly released the "Privacy Protection Clause of CITIC Securities Co., Ltd." to proactively inform customers of the collection, storage and use of personal information, as well as the rights of customers. The privacy policy applies to various products or services provided by CITIC Securities. The Company promised our customers that we will take appropriate security measures to protect their personal information in accordance with well-established security standards in the industry.



Scan to learn about CITIC Securities' "Privacy Policy".

 Personal information protection framework	• The Company established an organizational structure for the protection of personal information and conducted impact assessments of personal information security with respect to the collection, use, sharing and entrusted processing of personal information. • As the person-in-charge of personal information protection, representatives of the Company's management and the Chief Information Officer supervise the activities of personal information handling and the protection measures taken. • In accordance with the principle of "Whoever Handles It Is Responsible", the department responsible for the handling of personal information is clearly defined as the first person responsible for the handling of personal information.
 Principle of personal information protection	• The principle of consistency between authority and responsibility • The principle of clarity of purpose • The principle of opt-in consent • The principle of minimum necessity • The principle of ensuring security • The principle of subject participation
 Matters covered by the privacy policy	• How we collect and use information • How we use Cookie, Beacon, Proxy, etc. • Description of the third-party SDK collection of information and responsibilities • How we store and protect your personal information • How we use your information • Your rights • How we handle and protect minors' personal information • How your information is transferred globally • How we entrust the processing, sharing, transfer, public disclosure of your personal information • Application and updates of the Privacy Policy • Complaints, suggestions, how to contact us • Keyword descriptions in the privacy policy



Case: CITIC CLSA Securities Enhanced Third-Party and Employee Privacy Practices

CITIC CLSA Securities states that, before using third party data, third parties are required to submit the information for an audit and the data owner from CITIC CLSA is required to provide a data rating. If the data falls into a sensitive category, the data owner should formulate desensitization measures. In 2023, CITIC CLSA Securities conducted training sessions for employees on risks and procedures related to data security and/or privacy, which covers all persons using CITIC CLSA's systems and accounts, including contractors and third-party organizations that work with them, dispatched employees, and regular employees.

The Company actively established a culture of privacy and information security. Throughout the year, we organized 13 internal and external information technology trainings and network and information security education activities covering all employees, dispatched employees and contractor employees of the Company. This could effectively raise the awareness of employees on the protection of customer information and promote the protection of customers' rights and interests in terms of privacy and information security.

► Privacy and Information Security Protection Training



Actively Listening to Customers

CITIC Securities always puts customer service in the first place. We attached great importance to the evaluation and feedback of customers on the Company's business and services, while continuously optimized the customer information collection and feedback mechanism by integrating the collected information on service suggestions, system requirements, business process optimization suggestions, customer complaints, etc.. We conducted an in-depth analysis of the customer demand suggestions, initiated the process of business requirements in a timely manner, and provided feedback to the corresponding business departments. Through continuous optimization of service processes, customer satisfaction is enhanced.

Customer Satisfaction Survey

The Company received customers' inquiries about securities business through the 95548 customer service system and online consulting platform. We answered all kinds of problems encountered by customers in the process of investment.

Customer Feedback Channels		2023 Satisfaction Rate
 95548 Customer Service Hotline	In response to customer telephone inquiries and online inquiries, the Company conducted 100% satisfaction surveys. Currently, at the end of business inquiries, the system automatically pushes out satisfaction survey invitations to collect customer evaluations of our answers to their inquiries.	Customer satisfaction rate of online account opening, telephone and online consultation of our centralized customer contact center reached 99% or above: - Customer satisfaction rate of mobile phone account opening reached to over 99.9% - Customer satisfaction rate of overall consultation: reached to 99.35%
	Customer Service Hotline accepts online account opening and business processing through the testimonial terminal as well as review terminal. 100% satisfaction survey will be conducted to customers who chose the two-way video service to collect their evaluation of our witnessing service.	

Customer Complaint Management

CITIC Securities continued to broaden customer communication channels, improved our complaint management system, actively handled customer issues and enhanced customer experience.

Assessment and accountability of customer complaints	• We incorporated the details and number of customer complaints into the annual KPI assessment of each department and branch. • For staff who had been complained by customers, the relevant departments of the Company should investigate and deal with the situation in accordance with our rules and discipline.
Improvement of the rapid response mechanism	• We established a rapid response mechanism and ensured to contact the customer within 24 hours after the referral of the complaint or the customer's direct complaint to promptly recognize, respond to, and appropriately handle the reported complaint. • We improved customer service experience, conveyed to customers the Company's attitude of valuing customer complaints and proactively sought solutions to problems, and established a quick response mechanism to gain customer trust. • In the process of handling customer complaints and reports, the responsible person should be courteous and sincere, and actively resolve the complaint matters, so as to establish a long-term, stable and positive relationship with customers.
Increased monitoring and analysis of complaints	• We strengthened the monitoring and analysis of the volume of complaints, the completion of complaints, and the efficiency of handling complaints, and urged branches to strengthen the handling of customer complaints. • We carried out special governance activities for repeated complaints, analyzed the focus, typical and hot issues in repeated complaints, and adopted a variety of targeted initiatives such as early prevention, post-complaint improvement, assessment and evaluation.
Collection of customer feedback	• We formulated and initiated the handling process of problems found in the feedback collection after collecting the problems found in the feedback collection. • We improved the intent complaint handling process. Upon receiving a customer's intent complaint or judging that the customer has a potential risk of complaint, the intent complaint handling process should be initiated to resolve potential customer complaints in a timely manner.
Enhanced staff services and training	• We regularly organize complaint-related training for staff, including analysis of typical cases of complaints, improvement of business skills, handling and reporting of complaints, etc., so as to enhance the front desk staff's service awareness, ability to settle complaints and the level of reporting.



Sticking to the Bottom Line and Enabling Sound and High-level Governance

High-level governance is the key to ensuring the Company's high-quality development. CITIC Securities attaches importance to party building, continues to strengthen corporate governance, introduce standards for the development of the Board of Directors and improve the governance hierarchy; strengthens risk management and the lines of defence; fulfils our responsibility for anti-money laundering, ensure that our business activities are carried out in a healthy, orderly and steady manner, and upholds integrity and compliance in the Company's operating activities.

- Attaching Importance to Party Building
- Optimising Corporate Governance
- Strengthening Investor Relationship Management
- Comprehensive Risk Management
- Integrity and Compliance in Business Operations
- Information Security Protection



Attaching Importance to Party Building

2023 marked the first year to comprehensively implement the spirit of the 20th CPC National Congress. CITIC Securities adheres to the leading role of party building, deeply studies and implements Xi Jinping's thought of socialism with Chinese characteristics for a new era, carries out educational campaigns, makes systematic plans, and pays close attention to implementation to drive solid results in the Company's party building.

Focused Educational Campaigns

The Party Committee of CITIC Securities firmly adheres to the general requirements on studying the thoughts, strengthening party spirit, laying stress on practice, and achieving new successes, requires senior officers to lead by example, develops plans carefully and in a timely manner, sets up leading groups, organizes regular meetings and symposiums to understand how party building is going on across the Company, summarize the work carried out and drive implementation. The Company provides enhanced penetrative guidance to achieve full coverage and ensures the orderly implementation of and a close connection between the two focused educational campaigns. The Company carries out immersive theoretical learning sessions and study classes. 76 leaders spent a week on centralised learning courses where members of the Company's Party committee took the lead in participating in the courses and giving lectures on party building. The Four Grass-Roots Systems approach is adopted to carry out extensive research. Leaders at various levels fixed on 86 topics on efforts to build the Company into a world-class enterprise, and nearly 400 investigations were carried out at the grass-roots level. High quality research reports were prepared to drive results.

Thanks to these focused educational campaigns, the Company's party members and cadres have further enhanced their political, ideological, theoretical and emotional sympathies with Xi Jinping's Thoughts on Socialism with Chinese Characteristics for a New Era and strengthened their awareness to "serve the country through financial services", effectively contributing to high-quality development.



Case: A short-term study class

The Company held a 7-day study class on Implement Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era and the Spirit of the Twentieth National Congress of the Communist Party of China at Guodu Hotel for core executives. Well-known scholars and professors from the Central Party School, National Defence University, Renmin University of China were invited to give lectures on topics including Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, the Spirit of the Twentieth National Congress of the Communist Party of China, economic trends, the international political environment and national security, and high-quality development. Leaders of the Group and the Company gave special lectures on party building and offered counselling. Self-learning seminars were also held.

Enhancing the Foundation for Party Building

Improving the organizational system

Introducing standards for the establishment of grass-roots party organizations, strengthening staffing resources for the appointment of party branch secretaries and committee members to develop a tight organizational system empowered with strong executive abilities from top to bottom.

Strengthening team building

Strictly implementing the two-1% principle, strengthening staffing resources for the establishment of a dedicated party affairs team, enhancing the influence of party organizations, and consolidating the base for party member development.

Implementing work responsibilities

Implementing the responsibilities for party building, strengthening guidance for and supervision of grass-roots party building, maintaining the link between party building and business performance for appraisal purposes, improving reporting on and review of grass-roots party building, and extending the system to grass-roots party branches.

Strengthening internal party-related training

Establishing a regular training mechanism, making full use of internal and external resources for party building, continuously enhancing internal party-related training, expanding coverage, coordinating online and offline training courses to improve training effectiveness.

Integration into Corporate Culture

In 2023, under the guidance of Xi Jinping' Thought on Socialism with Chinese Characteristics for a New Era, the Company actively promoted party building and integrated it into corporate culture in a variety of ways.



For new joiners

Four courses on Integrity, Innovation, Excellence and Sharing have been developed for the on-boarding programme. The offline sessions consist of four modules: Never forget your original intention and Forge ahead, Stick to the bottom line and Sail steadily in order to go far, Be committed to business development and Be steadfast, and Create bonds of comradeship and Go hand in hand. At the same time, the concept of honour and disgrace for the securities industry has been incorporated into the Company's code of conduct for employees to help new joiners improve their overall understanding of the Company's culture and their business skills and abilities to work as a team.



For on-the-job employees

During a month dedicated to corporate culture, an awareness campaign with a theme on cultural cohesion was carried out across the Company, encouraging employees to acquire a deep understanding of, and act in accordance with, the Company's culture so as to contribute to the high-quality development of the Company. At the same time, buffets and other activities were organized to promote corporate culture among young employees.

Optimising Corporate Governance

CITIC Securities strictly abides by the Company Law and the Securities Law, constantly improves the corporate governance structure, works continuously to standardize the internal governance structure, actively creates a good internal and external governance environment, and takes practical actions to protect the interests of shareholders to promote the healthy and steady development of the Company.

Under the Board of Directors of the Company, there are a Risk Management Committee, an Audit Committee, a Related-party Transaction Control Committee, a Strategic Planning and ESG Committee, a Nomination Committee and a Remuneration and Appraisal Committee. By the end of 2023, the Company had 9 directors, including 2 executive directors, 4 non-executive directors and 3 independent non-executive directors; there are 5 supervisors in total, including 2 representatives of employees serving as supervisors. The Audit Committee, the Remuneration and Appraisal Committee, the Related-party Transaction Control Committee and the Nomination Committee are chaired by independent directors.

The Company is committed to a diverse board of directors to provide a diverse range of views and perspectives for board decision-making. Candidates for directorships are nominated and appointed based on multiple diversity indicators, including but not limited to gender, age, culture, educational background, industry experience, technical know-how, professional qualifications and skills, expertise, length of service and other relevant factors. The current board is sufficiently diverse in terms of gender, skillset, experience, expertise and independence.

In 2023, the Board of Directors won the Best Boardroom Practices award for 2023 from the China Association of Public Companies by virtue of its excellence in director appointment and performance, board operations and digitalization, information disclosure, investor relations management and ESG.

Strengthening Investor Relationship Management

As the first domestic A+H share listed securities company, the Company is committed to building an open, transparent and interactive investor relations management system. By building a professional investor relations management team and an efficient investor communication platform, the Company ensures full, timely and transparent communication with global investors, analysts and media organizations. The Company attaches great importance to protecting the legitimate rights and interests of shareholders and investors, especially minority shareholders and investors. The Company keeps itself informed about investors' opinions and suggestions in an all-round way and responds to investors' complaints in a timely manner through platforms including the shareholder hotline, e-mails, the SSE E-interactive, the shareholders' meetings, investor briefings, roadshows, analyst meetings, receptions, informal discussions and exchanges.

In 2023, the Company continued to optimize investor relations management by holding high-quality events and expanding investor communication channels. At the same time, the Company takes results announcement press conferences as an important channel for communication with investors. The Company held three results announcement press conferences through live streaming, online roadshows and telephone in 2023, thus engaging in communications with about 160000 investors, and was again granted the 2022 Listed Company Annual Results Announcement Best Practice award by the China Association for Public Listed Companies.

In addition, the Company participated in other investor relations events, such as the ESG in Central Enterprises roadshow organized by the Shanghai Stock Exchange, and the online investor day for listed companies in Shenzhen, engaging in exchanges with investors and analysts on the Company's business development and hot issues in the market in a timely manner to improve the frequency and effect of communication with investors.



The 20th Anniversary of A-share Listing and 2023 Investor Open Day

On 19 September 2023, CITIC Securities held the 20th anniversary of its A-share listing and the 2023 Investor Open Day. More than 100 institutional investors, analysts, representatives of customers, and reporters participated in the event and interacted with the Company's management. The event provided investors with a high-quality platform for direct communication with the Company's management and showcased the Company's development over the past twenty years since its listing.



Comprehensive Risk Management

In line with the comprehensive risk management system which covers assessment, measurement, monitoring, response and reporting, CITIC Securities prevents and manages ESG-related risks at company and business unit levels on an ongoing basis so as to manage more effectively the Company's non-financial risks.

Risk Management System

The Company monitors, evaluates and manages financial, operational, compliance and legal risks in business activities by implementing a comprehensive risk management mechanism and internal controls, and conducts vertical risk management for subsidiaries in various ways including providing guidance on business development and operational support, and carrying out decision-making management.

Risk management structure

- Setting up a three-level risk management system characterized by collective decision-making by the Risk Management Committee under the Board of Directors and specialized committees under the management, and close cooperation between the internal control department and business departments/lines to take responsibility for risk management, including deliberation, decision-making, implementation and supervision.
- Setting up a comprehensive risk management system headed by the Chief Risk Officer and in which the Risk Management Department plays a leading role and all departments/business lines, branches, subsidiaries and employees of the Company participate. Three lines of defence have been put in place.

Risk appetite management

- Improving risk appetite management and the risk appetite indicator system on an ongoing basis, and promoting a risk appetite-oriented management mechanism to drive business development;
- Strengthening country-specific risk management, improving supporting systems and processes, optimising country-specific risk assessment and rating tools, develop a variety of means for country-specific risk identification and monitoring, and improving the Company's capabilities for country-specific risk limit control;
- Strengthening proactive risk management, deepening industry research and assessment, adjusting risk management strategies in line with market changes, and enhancing forward-looking risk assessment;
- Constantly widening and deepening risk identification, strengthening the evaluation and analysis of key positions, and identifying potential risks in a timely manner in order to effectively deal with them.

Construction of risk control system

- Continuing to increase information technology development and investment for compliance risk control, promoting the construction of a globally integrated risk management system to improve self-developed systems.
- Strengthening the collection and integration of internal and external risk information, continuously optimising risk identification, measurement, monitoring, early warning and reporting, ensuring that risks related to domestic and overseas businesses are effectively covered, as well as refining management practices.

Risk management evaluation

- The Company carries out risk management and internal control self-assessment on a yearly basis. In terms of internal environmental assessment, it involves governance structure, social responsibility, corporate culture, human resources and other ESG related risks. Based on the comprehensive risk management system, the Company has established management processes for related risks, and monitors their implementation to minimize the impact on the Company.



Risk Management Training at CITIC Securities

In 2023, CITIC Securities held two rounds of training on operational risks and operational risk management for all employees and set up special training sessions on evaluation of new business and new products, operational risks and other topics for employees of relevant departments of the headquarters and branches.



Case: Management of risks associated with financial products sold on a commission basis

In order to supervise and introduce standards for business development industry and to safeguard against and identify business risks, CITIC Securities carried out a qualification review of principals (i.e. product managers) for privately offered financial products sold on a commission basis in 2023. The assessment indicators included but were not limited to internal control capabilities, integrity, legal compliance, credit status, etc. Principals which had poor track records and were rated negatively by market participants were included in a list of institutions the Company would advise against as partners. The list is dynamically monitored.

ESG Risk Management

CITIC Securities follows the Green Bond Guidelines and the Green Investment Guidelines. Under the guidance of the CITIC Securities Environmental and Social Risk Management Framework, the Company gradually incorporates ESG factors into its comprehensive risk management system, fully considers ESG factors in the course of investment and financing business, and integrates ESG factors into due diligence, risk assessment and subsequent management, and makes improvements on an ongoing basis.

In 2023, the Company incorporated ESG factors into the risk appetite indicator system for the first time, established green bond-linked appetite indicators in the 2023 Annual Risk Appetite Statement, monitored them on a quarterly basis, and ensured that business development was aligned with risk appetite.

ESG Due Diligence

In the course of carrying out investment and financing business, the Company incorporates ESG factors into due diligence, risk approval and follow-up management, and investigates how the target is going in terms of ESG and how it manages ESG risks faithfully and objectively, and comes up with reports and recommendations on strategies. In 2023, the Company conducted more than 100 due diligence investigations in equity investment business, mainly through on-site visits, review of data review and interviews. These investigations covered business, finance, legal compliance, ESG and other aspects, and focused on points such as governance structure, risk management, compliance control, environmental performance, labour rights and contributions to communities.

Overview of the focus of ESG due diligence investigations by CITIC Securities



In line with regulatory requirements, a focus was maintained on the impact of corporate production and operating activities on the external environment. For projects involving agriculture, biodiversity, energy utilization, forestry, mining, oil and gas, transportation, raw materials and other areas posing high environmental risks, a focus was maintained on their environmental ratings.



Focusing on corporate social responsibility and other key issues of national and social development, including human resources, supply chain, etc.



Focusing on compliance in corporate governance, including compliance by management officers, business ethics, litigations and disputes, etc.

CITIC Securities Investment has embedded ESG factors into risk management processes, with an enhanced focus on the credit risk assessment of energy-intensive enterprises in day-to-day project review and public opinion risk monitoring. The Company prioritises industries encouraged by national policies and complies with relevant external policies and regulations related to ESG finance, including the Green Bond Guidelines and the Green Investment Guidelines, to drive continuous improvements in the Company's ESG risk management.

Integrity and Compliance in Business Operations

CITIC Securities upholds integrity and compliance in its business operations, strictly abides by national laws and regulations and regulatory compliance requirements and works diligently to build a global, information technology-based compliance management framework. By deepening the compliance management hierarchy, revising special compliance management systems such as those related to AML, anti-corruption and employee investment activities, standardising the Company's procedures for compliance risk identification and management, introducing employee behaviour standards, taking solid anti-corruption actions, carrying out compliance risk training, the Company has succeeded in continuously improving compliance in business operations.

Compliance Management

In order to effectively identify breaches or potential compliance risks, CITIC Securities has formulated the Compliance Inspection and Monitoring System and the Compliance Reporting System. Following the principles of objectivity, impartiality, independence and standardization, CITIC Securities identifies potential compliance risks and safeguards against compliance risk events by focusing on and tracking sensitive business information, employees' professional practices, unusual transactions, and sensitive transaction data. Compliance inspections and monitoring are conducted and written reports are prepared, urging relevant departments and employees to take remedial actions.

Compliance inspection

Inspections are carried out at irregular intervals on completeness of systems, employees' professional practices, anti-corruption, business compliance, investor suitability, accountability for breaches, etc.

Compliance monitoring

Employees' professional practices are monitored manually or via telephone, emails and information systems to ensure their compliance with laws and regulations, based on the scope of responsibilities defined according to regulatory rules and the Company's systems. Employees' professional qualifications, practice qualifications, qualifications for their positions and part-time jobs are monitored and verified in order to continuously promote their compliance with professional ethics and ensure that they are law-abiding and uphold integrity.

Compliance assessment

The Company has incorporated compliance into the performance assessment system. For employees who have violated the Company's code of conduct, their ratings will be downgraded accordingly at year-end appraisals. The compliance factor is given a weight of no less than 15% in the Company's performance assessment which will be totally deducted for business units and employees that have been subject to administrative penalties by the regulators or have caused major compliance risks arising from serious breaches of laws and regulations, resulting in significant financial or reputational loss to the Company.

Compliance disposal

For employees who have violated the Company's internal rules and systems, including the code of conduct, the Company takes different compliance actions to hold them accountable depending on the severity and impact of the violation, including issuing a reminder or a warning, admonishing them in a conversation on compliance, ordering them to take remedial actions, or identifying them as inappropriate candidates.

Anti-Corruption Efforts

CITIC Securities attaches great importance to ensuring that employees are free from corruption, improves related mechanisms on an ongoing basis, carries out regular internal inspections, enhances supervision to identify corrupt practices, and strengthens awareness campaigns among employees. The Company was not involved in any concluded legal cases regarding corrupt practices brought against the Company or its employees during the year.

Organizational Optimization

In order to adapt to new regulatory trends and move in line with international anti-corruption compliance management practices, the Company has improved its organizational structure, set up a new Anti-Corruption and Anti-Bribery Committee headed by the chairman to replace the former Leading Group on Anti-Corruption Efforts. The Rules of Procedure for the Anti-Corruption and Anti-Bribery Committee have been formulated to further improve compliance management related to anti-corruption and anti-bribery efforts. The committee is responsible for implementing the overall targets and plans determined by the Company's operation management committee, improving the management system, implementing key actions defined by the party committee and the operation management committee, optimising the internal supervision mechanism, and cultivating a culture free from corruption.

Development of Systems

The Company has released the revised Anti-Corruption Rules and refined the requirements for employees during their day-to-day professional activities. Business units and employees are subject to audits, performance appraisals and personnel management systems to identify corrupt practices. There are well-defined incentive mechanism and accountability mechanisms put in place, which prohibit any direct linkage between the salaries of employees and income accrued to the Company from projects undertaken. Assigning a project to a single employee is not allowed for investment banking as this would provide excessive incentives. In addition, it is clearly stated in employment contracts and internal systems that any employees found to have engaged in corrupt practices would be required to return, wholly or partly, any bonus related to the breach, or would be disqualified for long-term incentive measures.

The Company has further updated the Compliance Code of which the chapter on Prohibition of Commercial Bribery has been revised to update the rules on expenses and etiquette in business transactions in line with industry anti-corruption practices. Basic requirements on relations with customers have been updated with additional norms on employee-customer relationships. Employees are required to abide by social, business and professional ethics in their day-to-day interactions, and employees (especially those in leadership roles) should abstain from any exchanges of a financial nature with customers such as investment, entrusted wealth management, private lending, etc.

In 2023, the Company established a working mechanism requiring employees to make a commitment to freedom from corruption. Employees are informed of the anti-corruption requirements they are expected to comply with, as part of the onboarding programme, and when they are transferred to other positions or are considered for a promotion. They are required to renew their commitment on a regular basis every year.

Training and Awareness Campaigns

The Company carries out anti-corruption training and awareness campaigns every year which cover all employees to ensure that they are familiar with relevant anti-corruption regulations and to improve their awareness. An official WeChat account dedicated to compliance has been launched, where anti-corruption campaigns enlivened by cartoons and short videos are held. Good feedback has been received.



Case: An exhibition of excellent fine arts works on professional integrity

In order to further improve employees' anti-corruption awareness and prevent insider trading and tunnelling, the Compliance Department, together with the Party and Masses-Related Affairs Department, the Party Conduct and Anti-corruption Office and the Office of the Commission for Discipline Inspection, held an exhibition of excellent fine arts works on professional integrity. This added variety to the Company's anti-corruption campaigns and was meaningful as a warning against corrupt practices.



Note: An exhibition of excellent fine arts works on professional integrity

Conflict of Interest Management

In terms of the management of employees' professional behaviour, in order to prevent potential integrity risks and manage conflicts of interest in securities investment, CITIC Securities has revised and released the System For the Management of Employee Behaviour in Securities Investment in accordance with the Securities Law, the Securities Investment Fund Law, the Supervisory and Administrative Measures for Directors, Supervisors, Senior Managers and Practitioners of Securities and Fund Management Institutions and the supporting rules issued by industry associations, requiring the Company's directors, supervisors, senior managers and employees engaged in specific business categories to report their securities and fund investments and their equity investments in unlisted enterprises as well as those of their spouses and stakeholders on a timely basis.

In 2023, the Company developed an investment declaration system in the OA system and revised the Guidelines for Investment Declaration and the Guidelines for Declaration of Business Interests. After the system went live, guidance was provided for employees via videos and peer-to-peer Q&As to help them complete their first declaration.

Anti-Money Laundering (AML) Management

In accordance with laws and regulations and in order to address internal management needs, CITIC Securities improves the internal control system for money laundering risk management on an ongoing basis. The Company has formulated and issued the Anti-Money Laundering Management Measures and continued to optimize the AML management framework across the three lines of defence. Employees are urged to contribute to safeguarding against money laundering and terrorist financing risks faced by the Company in day-to-day business development.

Establishing the Global Committee on Financial Crime Prevention

The compliance director of the Company serves as the chairman of this committee which is accountable to the operation management committee. This committee is responsible for comprehensively reviewing and analysing how AML, CTF, sanctions risk management and other matters are implemented in jurisdictions where the Company and its domestic and foreign subsidiaries are located.

Establishing an internal control system for AML

Nine sets of rules and guidelines on AML, including the Implementation Rules for Anti-money Laundering Customer Due Diligence and Risk Management, the Guidelines for Customer Due Diligence, the Implementation Rules for Reporting of Large-sum Transactions and Suspicious Transactions, and the Guidelines for Anti-money Laundering List Monitoring, have been revised, with a focus on refining AML measures, such as customer due diligence, reporting of suspicious transactions, screening.

Establishing an AML information system

A customer-specific money laundering risk management strategy has been implemented and covers all business departments of the Company. Information technology is leveraged to ensure the effectiveness of the Company's AML efforts. During the course of customer due diligence, the Company's AML system is used to perform customer onboarding and due diligence, money laundering risk assessment and screening, analysis and reporting of suspicious transactions, etc, during the customer relationship lifecycle. A monitoring system has been developed to perform list screening before customer onboarding, to ensure that the Company's AML and CTF obligations are fully fulfilled.

Customer identification and by-category risk management

In line with the Know Your Customer (KYC) principle, corresponding measures are taken for customers, business relationships or transactions with different money laundering or terrorist financing risks to collect and verify customer identity information, understand customers, the purpose and nature of their transactions, their source of funds and what the funds are intended for, and understand and identify the natural persons who are the actual controllers and the actual beneficiaries of transactions.

The Company reports large-sum RMB and foreign currency transactions and suspicious transactions to the China Anti-money Laundering Centre in accordance with the regulations of the People's Bank of China on the reporting of large-sum transactions and suspicious transactions. Any potential crime detected is reported to the local branch of the People's Bank of China and the public security department.

Compliance Culture

CITIC Securities has created a culture characterized by compliance, integrity, professionalism and stability which is common to industry peers. Employees are deeply penetrated with the belief that “compliance creates value” and that “everyone should play a role in compliance”. The Company constantly improves employees’ professional ethics to drive soundness and stability in operations and development.



Compliance training

- Training is conducted online and offline on a monthly basis. More than 450 compliance training sessions covering all employees and special business departments were delivered in the year.
- 20 training sessions on anti-money laundering training attended by all employees were carried out. A mandatory e-learning course on anti-money laundering achieved a **100%** coverage of new joiners and employees, and a special training conducted offline for business lines and subsidiaries recorded more than **6,700** attendances.
- All employees were required to complete a mandatory e-learning course on anti-corruption on a timely basis (100% coverage). More than **17,300** employees participated.

Compliance culture

- Compliance awareness campaigns were carried out via the official WeChat account and the WeChat Channel CITICS Compliance. 315 articles, long image texts and short videos on topics including anti-money laundering, professional integrity and anti-fraud and new regulations for securities brokerage, asset management and investment banking business management were published, of which 65 were published on the WeChat Channel.
- A written Compliance Code of CITIC Securities was prepared and more than 1000 copies were distributed to different departments and business lines. A special leaflet on the concept of honour and disgrace for the securities industry was produced to promote cultural awareness among employees.

Whistleblowing and Handling

CITIC Securities has formulated and released the Compliance Management Rules, the Anti Commercial Bribery Policy and the Whistleblowing and Whistle-blower Protection Policy, which clearly stipulate that complaints raised by employees should be attended to in a timely manner to identify compliance problems or risks on a timely basis and that relevant problems should be investigated and dealt with in a timely manner. The handling department has the obligation to keep the complaints and the whistle-blowers confidential in performing their duties and should effectively protect the whistle-blowers and their interests from infringement.

Whistleblowing channel

Any whistle-blower can submit his/her complaints to the compliance department of the Company in writing by email or letter or make an appointment for an interview in person. The Company has a functional mailbox (integrity@citics.com) to accept complaints involving the Company and its employees’ violation of integrity rules formulated by regulatory authorities, self-regulatory organizations and the Company.

Whistle-blower protection

The Company has made it clear that except upon request by judicial and regulatory authorities in accordance with laws and regulations, it is not allowed to disclose any information about any complaints and investigations to the person complained of or under investigation, and that it is not allowed to threaten, attack, or retaliate against a whistle-blower or anyone holding different opinions.

Advertising Compliance Management

CITIC Securities has strengthened compliance management in relation to marketing activities and has formulated the CITIC Securities Marketing Management System and the CITIC Securities Guidelines for Marketing Materials Compliance Review. A process has been established to review marketing and promotional materials for compliance management purposes as part of our efforts to ensure the truthfulness and completeness of product information provided to customers, protect consumers' rights and interests and be responsible in our marketing activities.

Intellectual Property Management

CITIC Securities attaches importance to the management of intellectual property rights, strictly abides by the Trademark Law, the Copyright Law and other laws and regulations related to intellectual property rights, and has formulated the Intellectual Property Management Measures, the Copyright Management Measures and other systems, which have defined the departments responsible for the management of relevant intellectual property rights and their responsibilities and include clear provisions on the ownership, exercise and protection of corresponding rights and interests. At the same time, the legal department is required to provide guidance for and supervise their implementation.

Safeguarding against intellectual property risks

- Carrying out inspections on intellectual property risks related to trademarks, pictures and fonts, to identify and summarize risk points in a timely manner and issue risk alerts, introduce standards for the use of intellectual property rights, and prevent infringement risks;
- Formulating templates of contractual terms on intellectual property rights to standardize the use of legal texts.

Improving awareness of intellectual property rights

- Issuing the Monthly Intellectual Property Report to communicate the latest developments, provide interpretations of typical cases, and share interesting stories related to intellectual property rights;
- Publishing short stories related to intellectual property rights on the Company's WeChat account;
- Internal training on intellectual property rights was held to share information on typical intellectual property issues such as trademark registration and protection of rights, and computer software-related infringement risks, in order to enhance employees' awareness of intellectual property rights.

In 2023, the Company registered 16 trademarks and was granted 20 patents and 32 software copyrights. As of 31 December 2023, the Company held 66 registered trademarks, 27 patents and 85 software copyrights, which can effectively protect the Company's brands and intellectual property rights and has also led to improvements in the comprehensive intellectual property rights protection system.

16

Trademarks
registered

20

Patents
granted

32

Software
copyrights granted

66

Total registered
trademarks held

27

Total patents
held

85

Total software
copyrights held

Information Security Protection

CITIC Securities' information security management policy prioritizes comprehensiveness, proactiveness, protection, participation, and improvement. It optimizes information security related systems on an ongoing basis and strives to ensure that information security systems remain reliable. The Company has formulated the CITIC Securities Information Security Management Measures, the CITIC Securities' Management Measures for the Protection of Key Information Infrastructure, the CITIC Securities Data Governance Management Measures and relevant implementation rules to continuously improve the capacity, performance, security and reliability of the Company's information systems on the basis of ensuring their safety, reliability and efficiency.

Overall Information Security Goals

- The Company's information security management systems are built and operated in compliance with laws and regulations and relevant provisions of government departments and regulators.
- The Company's information systems will not be breached, modified or damaged due to any accidental or malicious infringement, to ensure that they can work without interruption, reliably and normally, and provide users with timely, continuous and high-quality information technology services and are improved on an ongoing basis.

Information Security Governance

CITIC Securities has made it clear that the Information Technology Governance Committee of the Company acts as the leading group on network security and plays the leading role in protecting the Company's key information infrastructure, organizes the protection of key information infrastructure and the handling of major network security incidents, and leads efforts to inquire into and solve major network security issues.

Under the leadership of the Company's leading group on network security, CITIC Securities has set up a dedicated body to protect key information infrastructure and coordinates the Company's security protection efforts. At the same time, a network security assessment and review team has been established to embed a network security review process into the Company's unified project management processes to ensure network security at all stages.

Data Security Management and Protection

The Company has continuously strengthened its capabilities and optimized its strategies for key areas such as data security and supply chain information security and has established an information security risk troubleshooting process in the OA system to remind relevant personnel to remedy risks and vulnerabilities. The security team should perform a test on the outcome of remedial actions.

Network security protection

- Depending on the purpose and security level of a computer room, the Company configures network firewalls in functional areas for IP and port level access control.
- The network in office areas is divided into terminal network for administrative purposes and terminal network for business purposes based on business attributes. The latter is not allowed to be connected to the Internet. Different security policies are implemented for each type of functional area.
- Life-cycle management is conducted for end user accounts to enable terminal behaviour control and enhance detection efforts targeting intruders using advanced techniques.
- A scan is performed on a monthly basis to identify network vulnerabilities, and the database of malicious codes targeting anti-virus gateways (including those for emails) is regularly updated in order to assess and deal with dangerous viruses in a timely manner.
- Zero trust technology has been deployed in view of the agile working model. Some applications have been identified for zero trust management to appropriately manage risks arising from agility.

Physical security management

- Computer rooms are located in accordance with GB50174-2017 Code for the Design of Data Centres to avoid geographical areas prone to floods, geological faults, or landslides. Areas that are free of dust, oil smoke and harmful gases and are away from places where corrosive, flammable and explosive substances are produced or stored are selected.
- Efforts have been made to ensure sufficient and reliable power supply for computer rooms which are connected to two power sources and are equipped with diesel generators.
- All data are backed up in the main data centre located in Beijing on a centralized basis and are backed up to the disaster recovery centre in Qingdao at the same time.

Data backup management

- Centralized backup capabilities have been developed in line with the requirements of the national-level protection system, and different types of databases are saved in different places. By default, databases are backed up incrementally on a daily basis and fully on a weekly basis. Monthly and annual archive backups of historical databases are retained. The Company improves its centralized backup capabilities on an ongoing basis and has implemented management measures for remote storage of backup data.

Optimization of security technology

- The Company has optimized network traffic security monitoring coverage and the advanced threat detection and response system at terminals, and has refined operations based on the security situation awareness platform to promote the cloud security management system and further improve the level of security technology.

The Company actively identifies risks and hidden dangers by engaging external professional institutions to carry out special audit of information systems and security inspections on computer rooms and to supervise remedial actions. At the same time, emergency drills and business continuity exercises are carried out to improve the Company's ability to operate and maintain information systems. In 2023, the Company organized 4 information security emergency drills.

Information security certification

- The Company has been certified under the ISO 27001 standards for information security management, with effective until November 2025. The certification covers information system development, construction, maintenance and management in connection with the Company's securities business.
- Information security level protection is evaluated annually, with goods results achieved so far.

Information security audit

- An external information technology audit is conducted every year. In 2023, the audit was performed by KPMG, which covered information technology governance, information system management and control, information system application control.
- The Company completed the annual special internal audit of information security management in 2023.



Note: The Network Security Protection 2023 emergency drill



Green Development for the Beautiful China Initiative

CITIC Securities attaches great importance to the national strategic goals and global sustainability goals. The Company has conducted in-depth research on the impact of climate risks and opportunities on finance, promoting the actions to cope with climate change as well as improving its adaptability to climate change. It insists the green operation, making efforts to reduce the impact of own operations on the environment. Supports are done for an ecological civilization and the harmony between human and nature.

- Climate Change Risk and Opportunity Management
- Practising Green Operation
- Promoting Ecological Protection



Climate Change Risk and Opportunity Management

CITIC Securities incorporates climate change into its risk management system to further understand and more effectively manage environmental risks in business development and operations, and seize the opportunities brought by environmental risks.

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.

Identification of Risks and Opportunities

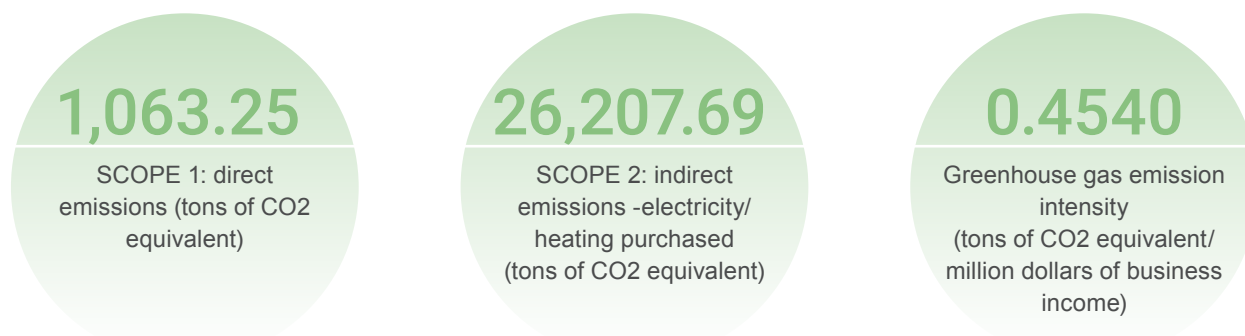
Risk	Description	Impact Cycle	Potential Financial Impact	Responses
Acute physical risk	The Company, its customers and the physical operating units of which the investment is made may be exposed to property losses or operational disruptions due to extreme weather events such as typhoons, floods, storms.	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.
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 increase, 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	
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	

Risk	Description	Impact Cycle	Potential Financial Impact	Responses
Market opportunities	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. 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.	Short-term Mid-term Long-term	• Increase in operating income • Increase in portfolio value	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. 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. Actively participate in carbon trading, market industry exchanges and cooperation, and standard formulation.
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	Publish ESG investment related research reports, hold sustainability forums, etc., and strengthen ESG research and industry exchanges. Procure clean energy and expand the percentage of clean energy use.
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	

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.

Business Operations

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 2023, the Company underwrote a total of green bonds (including asset-backed securities) with a total financing scale of **RMB 71.6 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 2023 reporting period, the total investment in ESG bonds and investment fund assets reached **RMB 42.754 billion**, and the scale of green investment reached **RMB 50.132 billion** with a year-on-year change of **14.48%**. 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.

Daily Operations

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 2023, 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 **4,792.45** tons of carbon dioxide.

Waste management: the Company required 100% compliant disposal of hazardous waste. In 2023, 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 paperless office.

Water resource: the Company improve water utilization efficiency through monitoring water usage.

Practising Green Operation

CITIC Securities actively practices the green operation in energy-saving, carbon-reduction, green procurement, and other aspects. Emissions are effectively reduced via structure-optimizing, efficiency-improving, low-carbon office etc. Taking environmental-friendly procurement and energy-efficient products as a priority, the Company promotes the green development of the industrial chain.

Energy Saving and Carbon Reduction

This year, CITIC Securities has adopted methods of “data comparison”, “dynamic regulation” and “patrol inspection” to achieve less consumption and rational use. The Company makes improvements based on the data analysis of energy use. The temperature and hours of air-conditioners in the offices correspond to the daily weather forecast. Manned and zoned patrol inspection is carried out to reduce ineffective energy use.

Public Area

- **Air-conditioning energy saving:** in 2023, a renovation plan for the central air-conditioning automatic control system at headquarters was promoted to implement the zoned air-conditioning. The rate of saving the power of air-conditioning system is expected to reach over **20%** after the renovation.
- **Lighting energy saving:** the electric bill is expected to down about **RMB15,000** by using 28W per LED lamp in the lobby.
- **Green power application:** **7,300** green electricity certificates were purchased in the year.



Data Centre

- The cooling tower was replaced and 1 tower would meet the cooling demand, saving nearly **RMB 200,000** per year.

Canteen

- **Energy-optimizing:** the Company has formulated and strictly abide by the management regulations and instructions of electrical appliances and lighting equipment, including operation, simple maintenance, storage, handover and other aspects, so as to improve the service life of equipment while reducing energy losses.
- **Energy-saving training management:** employees are encouraged to innovate in energy-saving and carbon-reduction. The Company institutionalizes the monitoring of employees' behaviours in water-, electricity-, and gas-saving. Propaganda posters are shown in the canteen to improve employees' awareness.

Business Travel

- The travel service model is introduced to encourage employees to reduce unnecessary business trips and use of disposable goods during trips.



Case: Completion of the first CCER trading for voluntary carbon offset by non-emission-controlled enterprise in China

On 22 January 2024, the launching ceremony of the National Greenhouse Gas Voluntary Emission Reduction Trading Market was held in Beijing. As the first batch of institutions approved to join in the market, CITIC Securities purchased 5000 tCO₂e of China Certified Emission Reduction (CCER). The reductions purchased this time were generated from the afforestation and carbon sink projects in underdeveloped areas, which is of great significance to realize ecological product value as well as support rural revitalization and ecological civilization.

Such a trading market is conducive to forming a national carbon market system in which the compulsory market and the voluntary one are complementary and interconnected, supporting the achievement of carbon peak and carbon neutrality. In the preparatory phase, the Company was engaged in the functional test of registration system and trading system of CCER, fully involved in the business research, mechanism discussion and system construction organized by the authority, actively supporting the successful launch and stable operation of the trading market. The trading made by the Company is the first one in China as a non-emission-controlled enterprise to voluntarily offset emissions. It not only can be used to offset the emissions generated from the Company's operation, but also plays a leading and exemplary role for the industry and society to participate in greenhouse gas emission reduction.

Saving Water Resource

CITIC Securities attaches great importance to the saving, protection, and rational use of water resources. In 2023, the Company has done a good job in water analysis and actively developed water-saving measures to avoid waste.

- There are monitoring and regularly patrol on the water consumption in offices.
- Water used in the kitchen is recycled to avoid water always running.
- The water purification unit at headquarters has been reconstructed for wastewater collecting.
- The rented water dispensers have significantly reduced the bottled and barrelled water purchasing.

Waste Management

CITIC Securities has constantly strengthened waste management to ensure a full and safe disposal and reduce adverse impacts on the environment and human health. In 2023, the Company disposed 9,542 kilograms of recyclable and other garbage, 451 kilograms of hazardous ones, 6,993 discarded masks and 344 discarded batteries.

Disposed recyclable and other garbage

9,542 kg

Disposed hazardous waste

451 kg

Disposed discarded masks

6,993 pcs

Disposed discarded batteries

344 pcs

Less Food Waste

Food-saving policies and measures are formulated and implemented, and a sound food-saving management system is also established. The Company actively implements the "empty plate" campaign to advocate food-saving and less waste, as well as encourages employees to participate, raising their awareness and participation. Here are innovative measures in 2023:

- Provide foods in small/half sized and to-go servings
- Promote the use of biodegradable and environmental-friendly tableware
- Raise employees' awareness of food saving with posters and signs
- Statistics on the dish popularity to reduce the waste of unpopular ones

Kitchen Leftover Management

- **Reduction at source:** the canteen strengthens the management in all aspects including ingredients purchasing, processing, storage, etc. Waste is reduced by reasonable menus and high utilization rate of ingredients. Leftovers at headquarters were decreased by about **36%** year-on-year in 2023.

- **Leftover Recycling:** vegetable roots has been fully utilized to be special cold dishes; food scraps, such as soybean cakes, are used as green fertilizers after fermenting.

Asset Disposal Utilization

- Old IT equipment is disposed in a standard manner. Dismantling and resource utilization are entrusted to a professional institution. In 2023, **1,620** pieces of old IT equipment were disposed.

- Reasonable disposal is carried out for obsolete official cars. Vehicles that are not over the age and can be resold are disposed in accordance with the requirements of disposal of state-owned assets, first being evaluated, then selling by public auction.

Promoting Green Office

CITIC Securities practices the “Green Printing” initiative, advocating employees to print in “double-sided & black-white” to reduce paper used and colour printing consumables. In 2023, the Company's Beijing headquarters had 71% of its employees printing on both sides of the paper, and **74%** were printed on black-white. The consumption of cartridges decreased by **3%** over the previous year; toner consumption decreased by **15.6%** over the previous year. The above waste consumables were handed over to a professional third-party for proper disposal according to environmental protection standards.

CLSA carries out the energy-saving and green training management for employees, and takes ISO & Environmental Protection as the first training for new joiners to improve their awareness. The Company actively calls on employees to support green activities with practical actions, such as electronic waste recycling, clothing recycling, book recycling, Earth Hour etc.



Case: Digital intelligence platform helps employees to green travel

The Employee Travel Platform was officially launched in 2023. With the self-developed Digital Intelligent Expense Management application, the platform can automatically process reimbursements, travel fees, corporate payments, etc. Thanks to this platform, the efficiency of Travel Expense Confirmation has been improved by about **66%**. It's equivalent to reducing **2.1 million** copies of printing every year and reducing about **33 tCO₂e**.

Green Procurement

CITIC Securities attaches importance to implementing green procurement and gives priority to suppliers who can implement sustainable policies conducive to society and the environment in their business. When purchasing products and services, the Company prefers equipment and materials that are reliable, energy-efficient and environmental-friendly, and requires suppliers to have ISO 14001 environmental management system certification.

Office Renovation

When renovating the offices in Beijing, Shanghai and Shenzhen, the Company requires suppliers participating in the bidding to use environmental-friendly materials, and sets standards for green materials in the review. Under equal conditions, products with green certifications, such as FSC certification, low-carbon labels, are preferred. In 2023, main materials used to decorate new offices were under strict control. Wall coverings, carpets etc. all meet the green building standards such as WELL, LEED. There are nearly **100** sets of workstations reused.

Office Supplies Management

The Company centrally purchases and manage office supplies, following the principle of “out-of-the-box”. There are strict expense standards and claiming procedures, and it's not allowed to stock up for spares. Waste on office supplies is effectively avoided. Products using environmental-friendly materials, such as DuPont paper, canvas etc., are preferred in the procurement process.

Promoting Ecological Protection

CITIC Securities actively injects funds to green fields such as energy saving, environmental protection, cleaner production, clean energy, ecosystem, green upgrading of infrastructure etc., and assists a number of green enterprises to complete equity financing and M&A.



Case: Help Yongxing, a green enterprise listing on the main board of SSE

Grandtop Yongxing Group Co., Ltd (“Yongxing”) is a leading enterprise in the field of waste-incineration power generation in Guangdong. In recent years, Yongxing has been deepening R&D innovation and project operation to gradually expand biomass treatment business, focusing on the “harmless, reduced and resource-based” treatment for solid waste. Yongxing keeps laying out its clean-energy industrial chain. CITIC Securities, as the sponsor and lead underwriter, assists Yongxing to successfully list on the main board of Shanghai Stock Exchange in January 2024, raising a total of **RMB2.43 billion**. The listing would help Yongxing to build a clean-energy industrial chain and enhance its competitiveness and profitability to better serve the national strategy of dual carbon goals.

The Company actively assists many local governments to promote the work related to carbon sink. One-stop integrated service plans keep being provided for many fields, such as domestic afforestation and carbon sink, grid-connected solar-thermal power generation, grid-connected offshore wind power generation, and mangrove planting. Effective supports are also provided to owners of voluntary projects of greenhouse gas reduction for carbon-reduction registration, cost control, risk prevention and benefit increasing. It fully responds to the standard and compliant demands of owners, and ensures the security of assets and funds when trading. Strong supports are done for the project development of carbon reduction and sink, with the “CITIC Program”, to promote the achievement of “dual carbon” goals.



Taking Responsibility and Building Better Future with Heart

As a leading securities company in China, CITIC Securities has always adhered to its responsibilities as a corporate citizen and is committed to giving back to society by fulfilling its social responsibilities. We actively participated in investor education and protection, public charity and voluntary services and contributed to social harmony and stability and the enhancement of social well-being.

- Social Welfare
- Promoting Investor Education
- Working Together to Promote the Industry
- Building a Harmonious Partnership



Social Welfare

CITIC Securities firmly believes that only by giving back to society can we achieve harmonious co-existence and sustainable development. The Company strives to be a good corporate citizen, enthusiastically supports social welfare undertakings, and actively fulfills its social responsibility by donating to schools, helping the poor and needy, paying attention to the socially disadvantaged, and engaging in environmental protection.

CITIC Securities 2023 Social Welfare Undertakings

- ★ We made a total of **RMB 55.17 million** of external donations, of which a total of **RMB 54.23 million** was invested in rural revitalization.
- We donated **RMB 38.00 million** to support Shenza County in Tibet Autonomous Region, Yuanyang County in Yunnan Province and Qianjiang District in Chongqing municipality to improve local people's livelihood, intellectual help, infrastructure construction, rural revitalization demonstration site construction and grassroots party construction.
- We donated **RMB 8.00 million** to support numerous public welfare projects, such as medical equipment donation for rural health office, the demonstrative county construction by the industry, the study visit to Beijing by outstanding teachers and students, the innovative initiatives for revitalizing rural agriculture, culture and tourism and the emergency donations to the people affected by the disaster in Myanmar.

Enhanced Targeted Poverty Alleviation

A country can only be strong when agriculture is strong. CITIC Securities actively explores the financial service model of the rural industry, supports the comprehensive upgrading of the rural industrial chain, recycling chain and value chain, strengthens the innovation and improvement of the "Insurance + Futures" model, and helps the high-quality development of local economy as well as agriculture and rural areas through various measures. In 2023, we made a total of **RMB 55.17 million** of external donations, of which a total of **RMB 54.23 million** was invested in rural revitalization, to complete our assistance successfully.

The Company continuously carried out targeted assistance and implemented the "One Company, One County" policy in Yuanyang County of Yunnan Province, Jishishan County of Gansu Province, Pingbian County of Yunnan Province, Guyuan County of Hebei Province, and Shenzha County of Tibet Autonomous Region. We drove more people out of poverty in impoverished areas and contributed to the rural revitalization through the industry effort and the consumption of agricultural products.

In 2023, the Company continued to strengthen its efforts in expanding the strength and depth of consumption support. The Company took measures such as organizing the "Yuanyang Food Festival", purchasing targeted consumption assistance products by cafeteria, purchasing consumption assistance products and using them in the Company's reception and pantry, promoting the consumption assistance brands, and stepping up guidance and assessment of its subsidiaries' consumption assistance efforts. Through the sales platform of CITIC Securities and relying on e-commerce sorting, packaging, shipping, etc., the Company expanded the forms of employment for villagers in the targeted areas and created more employment opportunities for rural laborers and disabled people through the consumption assistance activities, which broadened the sources of income and increased the family income.

CITIC Securities clarified the focus of local procurement assistance through inspection, field visit, learning of cooking recipes, and product exchange seminars with various local farmers' service providers in Yuanyang. We increased the procurement of specialty agricultural products such as rice noodles, fruits, seasonings, red rice, mutton, beef and seasonings, etc., introduced various Yunnan and Gansu recipes in the staff cafeteria, and organized the theme of Yuanyang Food Festival, etc., to open up the sales channel for local specialty and boost the income of local farmers. At the same time, the Company also liaised closely with local suppliers to organize information on the ingredients on shelf, laying a good foundation for the procurement of agricultural ingredients at a later stage.



Note: Consumption assistance in Jishishan County

Caring for Rural Health

The construction of healthy villages is an important part of promoting the construction of a healthy China and is also the proper meaning of comprehensively promoting the rural revitalization. On November 2023, with the support of CITIC Securities, the "Trust and Love Public Welfare Fund" launched by the China Foundation for Rural Development provided Chinese medicine physical therapy kits to **1,266** medical clinics in Lincheng County, Yangyuan County, Pingshan County and Ningwu County in Hebei Province. This has further improved the conditions of medical facilities and equipment in less-developed areas, supported the capacity building of rural doctors, enhanced the level of medical services in rural villages and provided rural residents with a more solid health protection.

The Company actively connected with targeted counties, deeply understood the actual demands of each region, the number of people covered by the county, and the demand for supplies, and fully supported the procurement and distribution of Chinese medicine physical therapy kits. In the future, the Company will continue to track the dynamics of healthcare needs in rural areas of targeted counties, strengthen the connection of supplies and increase the training of talents.

Dedication to Education

The Company adheres to the principle of providing both intellectual and moral support and strives to provide young people in remote areas with the opportunity to receive a good education. The Company fully utilized the public welfare fund, cooperated with China Foundation for Rural Development around the revitalization of education, invested **RMB 1.50 million** to implement the "Trust and Love Teacher Enhancement Program" in three targeted counties of Yunnan, including Yuanyang, to comprehensively improve the quality of the teaching force. In 2023, the Company invested **RMB 590,000** to implement the "Trust and Love Self-improvement Program" in targeted counties and subsidized **390** students with good academic performance in need and set up twinning relationships for them. In 2023, the dormitory building of Gaoguan Junior Middle School in Jishishan County, Gansu Province, donated and built by the company with a capital of **15.18 million** yuan, will be decorated internally and externally and delivered to the school for use.

RMB **1.50** million

Trust and Love Teacher Enhancement Program

RMB **590** thousand

Trust and Love Self-improvement Program

390

students with good academic performance

Timely Assistance in Earthquake Relief

On 18 December 2023, a 6.2 magnitude earthquake occurred in Jishishan County, Linxia Prefecture, Gansu Province, causing more than a hundred people in Gansu and Qinghai dead, and some of the infrastructures such as water, electricity, transportation and communication damaged. After the earthquake, CITIC Securities joined hands with CITIC Group to donate **RMB 3.00 million** in the first instance to timely assist the front line of earthquake relief, provide quilts, halal food, life protection boxes and other emergency supplies for the affected areas, and fully support the rescue and relief work.



Efforts to Promote Public Good in other Jurisdictions

CITIC Securities relies on CITIC CLSA Trust to actively carry out overseas public welfare activities, focusing on the education of youth and children, elderly care and other directions. We also collaborated with CITIC CLSA Securities' community outreach team to carry out a series of charitable projects within the Hong Kong region. In 2023, two charitable donations were made to Po Leung Kuk and Heep Hong Society, the local charitable organizations in Hong Kong, with a total donation of nearly **HKD 800,000**.

Caring for youth

CITIC CLSA Trust and Po Leung Kuk, a Hong Kong charitable organization, have deepened their collaboration by jointly launching the "CITIC CLSA Trust - Youth Mental Health Project", which focuses on improving the mental health of young people in Hong Kong, with a series of in-school workshops and incubation programmes to be conducted within 12 months, and serving more than **100,000** people.



Caring for the elderly

CITIC CLSA Trust and Po Leung Kuk, a Hong Kong charitable launched the "Hot Meal Programme for the Elderly" to provide three affordable and nutritious meals per day to elderly groups in financial difficulties to reduce their living expenses, and to visit the elderly in need during traditional festivals and deliver festive food and warm clothing to add warmth to the festive season. The programme lasted for eight months and benefited about **43,100** people.



Subsidiaries Actively Participate in Rural Revitalization and Public Charity

In 2023, CITIC Securities Futures Co., Ltd. donated **RMB2.9626 million** to the "insurance + futures" and "orders + futures" projects to vigorously carry out financial assistance. **RMB 1.1849 million** was invested in industrial assistance projects in areas designated for assistance in rural revitalization to build supporting facilities in rural planting and breeding bases and agricultural processing plants and other projects; **RMB 300,000** was used to help local outstanding students from disadvantaged families. In addition, CITIC Futures actively provided consumption-based assistance and spent **RMB 1.7518 million** throughout the year purchasing agricultural products from Yuanyang County of Yunnan Province, Qianjiang District of Chongqing, and Yanchang County of Shaanxi Province, and assisted local enterprises in launching products on e-commerce platforms to help them expand online sales channels.

In 2023, China Asset Management continued to provide consumption-based assistance and purchased agricultural products worth **RMB 2.7726 million**. Huaxiaren Charitable Foundation donated **RMB 321,000** yuan to Longwantun Central Primary School and Kindergarten in Shunyi, Beijing, and **RMB 600,000** yuan to Beiertai Town School in Zhangbei County, Hebei Province, to help the schools improve their facilities; donated goods and materials worth **RMB 1.06 million** to flood-stricken areas in Beijing and Hebei to help the victims get over the difficult time; donated **RMB 886,500** to schools in Yushu, Qinghai, to purchase articles for daily use for students and improve teaching facilities in earthquake-stricken areas.

Employee Volunteering

CITIC Securities encourages its employees to participate in public welfare and charitable activities, and to take part in various types of volunteer services by combining their individual professions and specialties, so as to give back to the society through practical actions.



Case: Make Donation to help Young Students Grow Up

In June 2023, CITIC Securities donated RMB 300,000 to the No. 1 Middle School in Guyuan County, Zhangjiakou City, Hebei Province, to support students from families in need and RMB 500,000 to support the Trust and Love Public Welfare - Guyuan No. 1 Middle School Teachers' Training Program. We also introduced Beijing's high-quality educational resources to provide training, teaching, and research services for the teachers of Guyuan No. 1 Middle School. More than 50 young volunteers from the headquarters and subsidiaries of CITIC Securities participated in this school support activity. They engaged in casual chat, distributed cultural and sports supplies, and carried out fun sports competitions to strengthen the communication with the sponsored students. They could gain a deeper understanding of the difficulties encountered by the students of Guyuan No. 1 Middle School in their study and life, spread the new knowledge and pass on the positive energy with their own growth and learning experience.



- We actively participated in the 2023 Beijing Shanxinzhe Securities Special Charity Walk, **12** employees formed **3** teams and raised a total of **RMB 60,000** to support the Love Kitchen Project and Love Parcel Project in underdeveloped areas.
- From January to February 2023, in response to the call of CITIC Group, the Company organized a donation activity of "One Piece of Paper for Love", donated **903** kilograms of books and paper, **194** kilograms of clothes and **RMB 387,000** to the China Charity Federation, jointly practising the spirit of thrift and dedication.
- We conducted spring voluntary tree-planting activities with a total donation of **RMB 56,000** and planted **2,819** trees.



Promoting Investor Education

CITIC Securities is actively committed to investor education and protection and consciously fulfills its responsibility for investor protection. It constantly innovates the form and content of its investment education work and makes full use of new media and other means to carry out investor education. While actively addressing investor demands, CITIC Securities also responds to investor concerns and solves their inquiries.

The Company operated four new investor education centres in Tianjin, Wuhan, Suqian and Guangzhou. It opened four new WeChat public and video accounts for investor education and launched the "CITIC Securities Investment Education Centre" in the Alipay client, which effectively increased the number of audiences of investor education. During the investor education special activity called "Registration-Based System Leads the Future Reform", the Company took various forms of online and offline publicity, using the Company's official website, mobile APP, WeChat public accounts, the investor corners and bulletin boards in each business place, and other channels of investment education to help small and medium-sized investors continue to improve the level of professional knowledge and risk prevention awareness, and to create a good environment for the full implementation of registration-based reform.

In 2023, the Company published **414** WeChat articles and **68** short videos through the WeChat public and video account of "CITIC Securities Investment Education Centre", covering basic knowledge of finance and business, interpretation of new market regulations, and popular knowledge on prevention of illegal fundraising, etc., with an audience of **1.9526** million people. The Company has won more than ten awards related to investor education granted by the Shanghai Stock Exchange, Shenzhen Investor Service Centre, Securities Times and other organizations.



Caption: Awards related to investor education received by CITIC Securities.

Working Together to Promote the Industry

CITIC Securities focuses on the "14th Five-Year Plan" and leverages on the direction of capital market reform and development. We continue to organize and carry out industry research to promote the ongoing improvement of the securities industry in terms of operational foresight, business innovation and cultural shaping.

In 2023, the Company carried out and participated in ESG related exchange activities in diverse ways, such as holding various ESG conferences, cooperating with various external institutions, and participating in discussions at all levels of the central and local governments, industry associations, etc. as a think tank, to fully support and promote the industry exchange and development.

ESG conferences and forums

- Theme seminar: We held eight theme seminars on "Corporate ESG Disclosure and Governance Optimization" in major cities across the country, with nearly 1,000 participants from regulators, social organizations, listed companies, small and medium-sized enterprises (SMEs), buyers' organizations, and academic institutes, to popularize the concept of ESG among the public and enterprises.
- ESG thematic forum: A special ESG session will be held in the 2023 Capital Market Forum and the 2024 Annual Capital Conference, focusing on the latest ESG research results.
- Conference calls: A total of 19 conference calls were held during the year to communicate the latest developments on ESG research to the market in a timely manner.

Think tank support

- We supported the Beijing Municipal Development and Reform Commission's "Implementation Program on Promoting the High-Quality Development of Beijing's ESG System".
- We supported CTBC Holding to provide comprehensive financial services to enterprises in the areas of "People, Family, Enterprise and Society".
- We collaborated with the China Pharmaceutical Industry Association to formulate ESG risk management and disclosure standards, "ESG Management Code for Pharmaceutical and Healthcare Industry", for the pharmaceutical and healthcare industry with Chinese characteristics.
- We collaborated with Shanghai University of Finance and Economics to prepare a management case on "CITIC Securities ESG Rating System and Sustainable Development Strategy".

Building a Harmonious Partnership

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, strictly abides by the laws and regulations such as the Tendering and Bidding Law and the Government Procurement Law, formulates Procurement Management System, Procurement Management Operating Procedures, the Measures for Information System Procurement Management and other related policies.

Integrity in collaborations

- 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 to require all suppliers to study the policy.
- The Company actively protects the rights and interests of suppliers, provides all suppliers with open complaint channels and response mechanisms based on a level playing field. We treat suppliers' feedback and opinions prudently and are committed to creating a clean environment for supplier cooperation to eliminate business moral risks and corruption.

Growing hand in hand

- We integrate suppliers' ESG risks into the daily management process and promote suppliers to participate in the Company's procurement activities in a more low-carbon and environmentally friendly way. We also implement a management system of supplier admittance, assessment, evaluation and determination, forming a benign operation mechanism of admittance, evaluation and elimination, and carrying out online management of the complete lifecycle of suppliers.
- We carry out supply chain sustainability risk assessment to examine the environmental and social performance of our suppliers and conduct a comprehensive assessment of supplier with respect to its product quality, service awareness, sustainable development, business ethics and other aspects to identify supplier-related risks. The Company has established a supplier exit mechanism for unqualified suppliers to continuously optimize the supplier pool.



Being Open and Inclusive, for High-Quality Talent Development

Talents are the cornerstone of corporate development. With an eye on the growth needs of employees, CITIC Securities provides mature and diversified compensation & benefits as well as training system. It keeps motivating employees to support their development. Communication channels get optimised to make their voice louder, and there are various employee care activities. Win-win between employees and the Company is the goal.

- Creating A Diversified and Inclusive Workplace
- Providing an Open Platform for Development
- Intensifying Employee Care and Benefits



Creating a Diversified and Inclusive Workplace

CITIC Securities adheres to the people-oriented principle. Talents from different backgrounds and fields are attracted, enriching the diversity. The Company protects employees' rights and interests and listens to their voices to build a diversified and inclusive corporate atmosphere.

Protecting Employees' Rights and Interests

CITIC Securities strictly abides by the Labour Law of PRC, the Labour Contract Law of PRC and other employment-related laws and regulations in and outside China, advocating a fair and just management. It constantly updates the internal systems, policies and rules, including Staff Handbook, Labour Contract Regulations, Salary Regulations, Social Recruitment Regulations, Campus Recruitment Regulations, Grade Regulations, Performance Review Regulations, Allowances, Subsidies and Benefits Regulations, etc. Employees' rights and interests shall get protected in accordance with relevant policies.

Recruitment & Dismissal

The Company lawfully and fairly recruits employees with a strict entry review, and confirms employees' willingness to accept the offers, signing the contracts with them on the premise of their replies. Labour contracts signed with employees detail the basic information such as start time, contract term, workplace, etc. Employees decide whether to accept and sign the contracts at their own will. In case of any violation of labour laws and regulations, including false identity, the contracts will be terminated immediately according to relevant laws and regulations. It effectively safeguards employees' rights to voluntarily resign.

Preventing Child Labour and Forced Labour

The Company resolutely prohibits the recruitment of child labour and avoids the occurrence of forced labour. Recruitment Regulations specify the qualifications and years of education that candidates shall have, based on job requirements.

Equal Employment

The Company provides the equal opportunities to fully respect talents and strictly avoids racial (ethnic) discrimination, gender discrimination, regional discrimination, and academic discrimination in the recruiting process.

- Recruitment ads are carefully checked before posting to avoid discriminatory words. Equal opportunities are provided for candidates of different races (ethnics), genders, and regions. Official channels of recruitment and internship are clearly informed on job sites, to restrict the use of unlicensed labour and remind students to be wary of unscrupulous intermediaries.
- The Company adheres to fair and just recruiting, formulating systems for social recruitment and campus recruitment. All candidates submit resumes via Online Application System. There are unified written examinations and multiple rounds of interviews for campus candidates; social candidates face different tests to investigate their work experience that meets job requirements.
- Internal recruiting positions are equally provided for relevant employees. No discriminatory threshold shall be set to ensure fair work opportunities within the company.

Promoting Diversity

The Company strives to enrich the diversity of employees. It pays attention to female candidates and ethnic minority candidates. It organises campus recruitment for Universities for Nationalities to care the employment of minority students. There are public welfare positions provided for the disabled.

Hours & Leaves

Employees' right to work is guaranteed in accordance with the law; salaries are paid on time in accordance with the law; employees' right to rest and take leaves is also guaranteed.

Talent Attraction and Retention

CITIC Securities regards talent attraction as a part of corporate social responsibility, constantly optimising the talent structure. It improves the recruiting accuracy, the recruiting process, and the recruiting experience. The recruiting channels are also expanded to widely attract talents including campus and social recruitment. By the end of 2023, CITIC Securities had **26,822** employees, with women accounting for **47.2%**, featured by youth and high quality.

Qualification Distribution of Employees in CITIC Securities



CITIC Securities strengthens the talent layout in key regions and key business fields in light of its business planning and talent structure. Talent recruitment and relevant process are also improved to raise the talent-recruiting accuracy.

Talent Evaluation

The interview tools are improved to strengthen the Company's ability to evaluate talents, including optimizing the test tools, standardising the interview process, sorting out the interviewer requirements, and strengthening the interviewer training.

Partnership with Universities

The Company increases the cooperation with target universities and colleges to explore the precise recruitment in leading universities as well as target outstanding students in advance. It focuses on Fin-tech talents, and those with international vision, familiar with overseas business and management.

Entry Review

There is a strengthened entry review for the proposed employees including qualification check, reference check, registration comparison, background survey by the third-party, etc. As for the introduced management and high-end talents, their professional ethics and incorruptibility are reviewed via telephone, letters, face-to-face visits, file checking and other ways.

Recruitment Channels and Measures of CITIC Securities

Recruitment Channels	Key Measures
Campus Recruitment	Partnership with key universities in and outside China is enhanced to attract high-quality talents to join the Company.
Social Recruitment	Multiple channels are developed to actively search high-quality candidates for all functions, including internal recommendations, posts on job sites, head-hunters, or other recruitment service providers.
Specialised Talent Recruitment	To enhance the interconnection of Shenzhen and Hong Kong's FinTech personnel, a special recruitment plan, "Hong Kong Digital Talents", was organized in the second half of 2023 for Shenzhen's FinTech talents. CITIC Securities actively increases its talent layout in the Greater Bay Area.



Case: Highlights of CITIC Securities' School-Enterprise Partnership

- The Company actively organizes and participates in various career counselling, job fairs and employer forums and students are invited to visit CITIC Securities. A positive school-enterprise partnership is kept, with over **50** related activities held throughout the year.
- It's awarded the titles of Best Employer and Best Partner by Guanghua School of Management, School of Economics, and PHBS of Peking University, as well as School of Economics of Fudan University etc.
- Cooperation agreements for talent development are signed with Peking University's School of Economics and Central University of Finance and Economics' School of Finance, to build a career experience base listed by the Beijing Municipal Education Commission.



Case: Internship Program of CITIC Securities

- **Hong Kong and Taiwan interns:** there is a nearly 2-month offline internship for students from Hong Kong and Taiwan, effectively promoting the extensive, comprehensive and in-depth exchanges between Hong Kong, Taiwan and mainland youth. CITIC Securities has designed a variety of internships to enable Hong Kong and Taiwan interns to learn and apply their learnings, receiving thank-you letters from the Taiwan Affairs Office and Fin Society.
- **Branch summer internship programs:** over **3,600** college students are provided with intern positions in **140** cities across the country to support their social practice.
- **Other internships:** there are over 100 interns from summer internship of Coach program of Tsinghua University, practical teaching program of School of Economics and Management of Tsinghua University etc., as well as routine recruitment, to provide college students with internship opportunities in such a securities company and improve their ability to hunt jobs.



Awards & Recognition of School-Enterprise Partnership

- Best Employer and Excellent Internship Base of Guanghua School of Management, Peking University, Academic Year 2022-2023
- Best Partner of School of Economics, Peking University, Academic Year 2022-2023
- Best Employer of PHBS, Peking University
- Internship Base of Antai School of Economics and Management, Shanghai Jiaotong University
- Internship Base of Shenzhen Finance Institute

Employee Communication

CITIC Securities attaches importance to employees' demands and opinions. A two-way communication culture and a variety of communication channels are cultivated to respond to employees' needs. In 2023, the Company held XX staff congresses, deliberating and passing management systems involving employee interests such as Implementation Rules of CITIC Securities Employee Congresses, Special Collective Contract for Protecting Female Employees' Rights and Interests, Management of Employee Resignation, and Management of Personnel Archives, to effectively safeguard the legitimate rights and interests of employees.

Employee Satisfaction Survey is carried out and the result is taken as a factor to evaluate the performance of persons in charge. Daily management keeps being optimised to improve employee relations. In addition, there is a complete and unimpeded performance complaint mechanism for employees. If the employee does not approve the performance result, he/she can submit a written appeal to the Human Resources within the specified time. The Human Resources will verify the appeal, put forward opinions based on the investigation, and feedback the result to the complainant.

Providing an Open Platform for Development

With an eye on the growth needs of employees, CITIC Securities improves the talent training system, with a sound training system, promotion channels, and scientific and reasonable performance review, to achieve common progress with employees.

Improving Employee Training System

CITIC Securities has continuously enhanced staff training to support the team development. A professional talent training system focuses on seven business lines (investment trading, product design, sales, FinTech, investment banking, research, and investment consulting), combining key business strategies and actual development, jointly developed by all functions. Training frameworks, directions, contents, and modes are specified in detail.

Key Course

The Company has enhanced the standard construction of key training courses. The existing training courses are sorted out, and a syllabus of CITIC Securities Key Training Program System in over 30,000 words is formed, which defines course content and training frequency of each key program.

Innovative Training Mode

The advanced talent training mode is introduced and adapted. In addition to the traditional online and offline mode, there are diversified training modes such as OMO integrated training camp, enterprise WeChat group learning activity, daily coaching, special topic reply, etc., further boosting the training atmosphere and effect, as well as the course effect and quality.

Training Needs Survey

Questionnaire survey on training needs of all employees is carried out every year, and key training directions for all employees in the next year are determined according to the results. Each key training program has corresponding training content varying from different training objects. Personnel files for new joiners and backups include evaluation data, training performance, testing scores, etc.

Category	Content
Training for all staff	• On-the-job training for all staff: based on the full-scale Employee Satisfaction Survey results at headquarters in the last year, the Company develops an online training plan against each employee's weak links in the competency and sends the annual on-the-job training package to each, including Leadership & Influence, Performance Management, Communication, Innovation Awareness, Time Management, Financial Literacy etc. Each must complete at least 10 learning hours. In 2023, a total of 6,670 employees attended the training. • Annual promotion training: based on the full-scale survey results at headquarters over the years, the actual needs and competency requirements, the Company analyses and builds a key competency model for all staff, to improve key literacy and communication. Employees who get newly promoted enjoy systematic training both online and offline.
New Staff Training	Professional courses comprehensively help new employees to accelerate their integration into CITIC Securities and improve their business level. The training mainly takes intensively face-to-face mode. There are related online and offline courses and activities before, during and after training. Dedicated coaches accompany new joiners to grow in an all-round way and support them to continuously grow between theoretical knowledge and practice. At the end, a “talent growth file” for each employee is established, with complete training evaluation data as the basis for future talent selection.

Category	Content
Management Training	There are layered and classified trainings for the management at all levels to broaden their vision, improve their political literacy and leadership. A cross-function and subsidiary communication platform is built for business exchange among participants. In 2023, the company carried out diverse training for core management personnel of the company, voyage plan training and sailing plan training for middle management personnel, 90 day turnaround plan training for new management personnel, and departure plan training for reserve cadres.  2023 the sailing program  2023 the initiating program
Professionals Training	A professional talent training system is jointly built by all functions to cultivate diverse professionals via discussion and research, combing strategic priorities and business categories, on the basis of the actual training situation and the future demand for professionals. It's conducted in diversified ways, such as professional lecturing, experience sharing, coaching, practice, skill contest, thematic reply etc., to consolidate employees' business level and improve their professionalism.
Joint Training	In 2023, the Company has continued to deepen the cooperation with external professional institutions and scientific institutions to provide joint trainings for employees. • Valuation Modelling is launched, by cooperating with ChainShine • GPI Assessment & Report Interpretation is launched, by cooperating with Beisen. • “Cheer Up”, a series of reading activities is launched, by cooperating with CITIC Press. • On-the-job training is carried out by cooperating with Ceibsonline and Renmin University of China. • Promotion training and customized leadership training are carried out by cooperating with Yunxuetang and Huizhi-Yichuang.

Supporting Continuing Education

CITIC Securities, in accordance with the relevant requirements of the *Regulations on Compliance and the Regulations on Employment Registration*, contributes and organizes annual continuing education and training for qualifications, including certificates of securities, for sponsors, for funds, for futures, for insurance etc. In 2023, a total of 13,751 employees participated in the continuing education and training for securities and sponsors; 7,886 participated in the training for funds qualifications; 3,775 participated in the one for insurance.

The Company encourages and supports employees to obtain degrees from courses. It's clearly stipulated in the training management system that employees are encouraged to study independently and participate in in-service academic education related to their specialities in spare time. There is financial support for employees to obtain HKSI LE and Shenzhen-Hongkong-Macao FinTech Professionalism Programme, helping CITIC Securities' international business talents and FinTech talents improve their professionalism.

Employees participated in the continuing education

13,751

Training for funds qualifications

7,886

Participated in the one for insurance

3,775

Employee Performance and Promotion

CITIC Securities continues to improve the grade system and promotion mechanism to provide equal opportunities for all employees, caring for employees' long-term performance. There are objective and clear grade development channels. The Company adheres to the goal-oriented performance rationale and the objective evaluation principle, constantly optimising the review process. Annual performance review is carried out for all employees to continuously improves their competency.

In 2023, a closed-loop management mechanism of "performance plan, process management, assessment and evaluation, feedback and application" has been applied to communicate with employees on their daily performance and results. IT Centre is taken as the pilot to empower team leaders and boost their abilities and skills in target setting, tool application, communication with team members, etc.

Performance Management

- The performance-related management system and process are optimised, to refine and summarize the indexes based on the business plan and duty positioning, improving the accumulation of methods and data of performance management tools.
- The sound standards of assessment, evaluation and grade review increase the efficiency and effect as well as the talent inventory mechanism, promoting the functions to deeply participate in inventorying talents.
- Application of assessment data is intensified, taking OKR as the pilot. Management mechanisms are explored for term assessment, medium and long-term performance review, and post-review.
- The management is encouraged to apply tools to daily work to improve the overall performance level.

Career Development Channels

- Overall planning of talents in key positions is made. Overall operation of teams as well as the talent construction is analysed and judged to identify potential risks. Then, a high-quality professional team with integrity and loyalty is built.
- Employees are encouraged to exchange in a wider rotation, to improve their competency and management skill. Personnel mechanism adopts “capable employee gets promoted; superior one gets awarded; incapable one gets criticized; inferior one gets out” to promote all leaders to fulfil their duties and take an active role.
- The backup leader pool is optimised to perfect training schemes and growth files for those leaders.
- Efforts are made to greatly supervise and inspect personnel selection, and continuously perfect systems and processes of the Party supervising the performance of officials.

Intensifying Employee Care and Benefits

CITIC Securities takes the health and well-being of employees as the core in daily operation management. An earnest employee care would bring a safe working environment, boosting the happiness and sense of belonging of employees.

Employee Salary & Welfare

CITIC Securities has established a complete and reasonable remuneration management system to provide employees with a competitive salary, welfare and incentive mechanism. In 2023, the Company revised the Regulations of Remuneration and Evaluation for Senior Management, and formulated the Regulations of Allowances, Subsidies and Benefits, to further optimise the rules, making the remuneration system more standardised as well as the requirements for employees’ benefits more clarified.

Remuneration Management Mechanism

The company establishes a salary control mechanism for each department, business line and branch (subsidiary) company, and completes the total amount formulation, tracking, analysis and communication system; a sound remuneration recourse mechanism helps strengthen risk control. The Company adopts diverse measures to upgrade the remuneration management and regularly refers to the Human Resources Industry Reports issued by professional institutions and SAC, providing employees with a mechanism of salary, benefit and incentive that conforms to industry norms and its strategy. Incentive principle of sharing is adopted to link the total salary with the business result of the year, which is approved by the superior authority.

Welfare System

Employees enjoy comprehensive insurances. Pursuant to the law, the Company provides basic social insurance including pensions, medical care, unemployment, work-related injury, maternity, and housing fund, enterprise annuity etc., for employees. There are also labour union activities and related benefits. Employees also enjoy additional commercial insurances, including out-patient and emergency, in-patient, major disease, death from disease, accidental injury, and overseas travel. Regulations of Attendance standardise employees' working hours and leaves including national statutory holiday, paid annual leave, personal leave, sick leave, work-related injury leave, marriage leave, funeral leave, maternity leave, paternity leave, breast-feeding leave etc.

Legal and compliant allowance is set to moderately solve employees' difficulties and improve their working and living conditions. By fully reflecting employees' care and mobilizing their enthusiasm, it advocates hard working and strict economy.

Employee Health & Safety

Employees' health and safety come first. This year, it upgraded the safety work leading group to the safety work committee, coordinating the work of safety production, fire management, defence line, petition and litigation in and outside China. Responsibilities of safety production are consolidated by asking employees to sign relevant liability statements every year and setting up assessments for the management in closely related functions such as Human Resource, Law, Labour Union, and General Management Department.

Guaranteeing Workplace Safety

We actively apply Intelligent security. Troubleshooting work is irregularly carried out to control hazards hierarchically. Physical protection is also strengthened. There are emergency plans for earthquakes, lightning, and other disasters, as well as emergency drills to improve employees' safety awareness. In 2023, there were a total of **457** fire emergency evacuation drills and **664** security series trainings, such as anti-fraud propaganda, firefighting tips, traffic safety and other thematic trainings.



Emphasis on Employee Health & Safety

The Company always advocates employees to establish a “healthy and upward” life philosophy, with a lasting attention on their physical and mental health, building a safe, equal, and inclusive workplace. It ensures its annual physical examination covering all regular, dispatched, and retired employees. To further improve the quality of physical examination and better protect health, 2022 White Paper on Physical Examination was completed in 2023, which analyses the results of employees’ physical examination and sorts out the abnormal indicators. 2023 physical examination package is adjusted according to the White Paper, to make it better serve the health. There is an activity to interpret physical examination reports by texting or one-on-one telephoning. Such an activity helps employees truly understand own physical conditions, alleviate their post-examination anxiety, and improve their health awareness.

To improve the health awareness, the Company utilises the administrative column to carry out the physical examination propaganda, which systematically introduces the items and interprets the indicators. Popularization of those medical terms helps employees scientifically select the 2023 physical examination package and institutions according to the results of last year, so as to meet their demands to the greatest extent. By the end of 2023, the Company published **19** scientific articles related to physical examinations, and **4** first-aid tips articles.



Case: Health education activities improve employees' health awareness

To further popularize first-aid tips, help employees master basic skills of self-rescue and mutual rescue, and improve their emergency rescue ability, there were **1** health education activity and **3** first-aid knowledge trainings in 2023. On 8 August 2023, the Company organized an activity of first-aid knowledge training, themed with “protect the health, save the life”, about **200** participants from Beijing, Shenzhen, and Shanghai.



Case: Healthy diet builds healthy physique

The provided healthy meals for employees may reduce their potential health hazards. There are nutritious meal plans and balanced high-quality foods, helping employees have healthy physique.

- **Formulating nutritious meal plans:** weekly menus and purchasing plans follow the “4+1” nutrition pyramid proposed by Chinese Nutrition Society.
- **Providing balanced diets:** menus are adjusted to increase intakes of vegetables, fruits, grains, and protein, reduce intakes of salt, sugar and unhealthy fat, and refuse MSG and chicken powder.
- **Selecting high-quality materials:** fresh, organic, and local materials are selected to ensure the provision of safe and healthy food. There are pesticide residue sampling tests on vegetables every day.
- **Adding a variety of choices:** a variety of dishes are set up to meet diverse dining needs, including vegetarian, low salt, low sugar etc.
- **Controlling the quantity of foods:** foods are provided in the proper amount, under a reasonable control, to avoid excessive intakes.
- **Controlling the quality of foods:** joint inspection is carried out regularly by the quality inspector and nutritionist, and relevant trainings are carried out for the canteen staff to continuously improve the service quality.

Employee Care

CITIC Securities pays close attention to the daily care work of employees, including various recreational activities, welfare care. It's committed to creating a happy and warm working atmosphere for employees.



Case: Employee Family Open Day, "new generation comes to CITIC"

On 27 May 2023, as Children's Day was coming, CITIC Securities held Employee Family Open Day to invite the new generation to come to CITIC. Over 60 families of employees at Headquarters participated in this activity.

At the site, children used special mini cards to open the gate and listened to the introduction of CITIC Securities themed as "taking you into CITIC" in the conference room. They had a deep understanding of the industry and the company that their parents work for. There was wall-painting activity in the staircase to transform into "green living space". The canteen provided fantastic Happy Meals and kids could make cakes by themselves. Accompanied by the staff, they also visited the workstations of their parents, the computer room, the corporate culture exhibition room etc.

Their faces were filled with happy smiles throughout the activity. They said, visiting parents' daily workplace on such a happy day was a very special and meaningful gift. The family members accompanying the kids at the event said, they had further understood the corporate culture of CITIC Securities and felt the humanistic care. They were proud of their family members' work at CITIC and would more support their work in the future.



Social Responsibility Performance

1.Key Environmental Performance Indicators

In 2023, 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	2021	2022	2023
A1. Emissions				
Total GHG Emissions (Scope 1 and 2)	tons	27,593.65	32,997.63	27,270.95
Direct emissions (Scope 1)	tons	743.20	1,466.73	1,063.25
Indirect emissions (Scope 2)	tons	26,850.45	31,530.90	26,207.69
GHG emissions per square meter	tons per square meter	0.16	0.18	0.15
Hazardous waste	tons	1.37	1.18	1.36
Hazardous waste per capita	tons per capita	0.0002	0.0001	0.0002
Non-hazardous waste	tons	31.09	37.17	51.29
Non-hazardous waste per capita	tons per capita	0.0039	0.0042	0.0059

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.

(2) The Company's GHG inventory includes carbon dioxide, methane and nitrous oxide. Greenhouse gas emission is presented as carbon dioxide equivalent. It is mainly calculated according to IPCC Guidelines for National Greenhouse Gas Inventories (2006, 2019 Edition), the IPCC Fifth Assessment Report, the IPCC Sixth Assessment Report by the Intergovernmental Panel on Climate Change (IPCC), National standard of the People's Republic of China General Principles for Calculation of Total Energy Consumption (GB/T 2589-2020), Baseline Emission Factors for Regional Power Grids in China (2019), the Notice on Doing Well in the Report and Verification of Greenhouse Gas Emissions of Enterprises in Some Key Industries from 2023 to 2025 and the Notice on Doing Well in the Report Management of Greenhouse Gas Emissions of Enterprises in the Power Generation Industry from 2023 to 2025 released by Ministry of Ecology and Environment of the PRC, carbon intensity data from HK Electric Investments Sustainability Report 2021 and Sustainability Report 2022, carbon intensity data from CLP Holdings Limited 2022 Sustainability Report, and Requirements for Carbon Dioxide Emission Accounting and Reporting issued by the Beijing Municipal Administration for Market Regulation.

(3) The types of hazardous wastes involved in the company's operations mainly include selenium cartridges, ink cartridges, waste fluorescent tubes and waste lead-acid batteries. All hazardous wastes involved in company operation shall be recycled or disposed by a qualified recycler.

(4) The types of harmless waste mainly include electronic consumable waste, electronic product waste and office equipment waste. All harmless wastes shall be delivered to qualified recyclers recycling or disposal.

(5) CITIC Securities Asset Management officially commenced business on November 16, 2023, and its environmental performance data during 2023 is included in the statistical data of CITIC Securities Headquarters.

ESG Indicators	Unit	2020	2021	2022
A2.Use of Resources				
Total energy consumption	MWh	42,424.09	54,161.34	51,608.72
Direct energy consumption	MWh	3,624.47	3,437.60	4,036.67
Gasoline		553.63	425.30	536.86
Diesel		107.07	238.91	1.80
Naturalgas		2,963.77	2,773.39	3,498.01
Indirect energy consumption	MWh	38,799.62	50,723.74	47,572.06
Purchased electricity		38,799.62	44,075.78	41,242.23
Purchased heating		-	6,647.96	6,329.83
Energy consumption per square meter	MWh per square meter	0.25	0.29	0.28
Water consumption	tons	143,834.07	137,837.00	150,494.64
Water consumption per square meter	tons per square meter	1.04	1.00	0.83

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).

(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 2023 includes CITIC Securities Co., Ltd.

ESG Indicators	Unit	2021	2022	2023
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	26,822
By the parent company and subsidiaries				
Total number of in-service staff of the Parent	Person	14,413	15,616	16,244
Number of in-service staff of principal subsidiaries	Person	9,283	10,126	10,578
Number of retired staff for which the Parent and principal subsidiaries are responsible for their expenses	Person	441	533	634

ESG Indicators	Unit	2021	2022	2023
By business category				
Business staffs	Person	19,213	20,729	21,343
IT staffs	Person	1,250	1,572	1,916
Financial staffs	Person	622	525	526
Administrative staffs	Person	429	441	447
Others (including clearing & settlement, risk management, legal, compliance, supervision audit, etc.)	Person	2,182	2,475	2,590
By gender				
Male	Person	12,095	13,302	14,168
Female	Person	11,601	12,440	12,654
By employment type				
Regular employees	Person	22,485	24,589	25,465
Dispatched employees	Person	1,211	1,153	1,357
By educational background				
Doctor's degree	Person	311	341	359
Master's degree	Person	8,659	10,414	11,517
Bachelor's degree	Person	13,317	13,883	13,904
Associate's degree and below	Person	1,409	1,104	1,042
By age				
Aged below 30	Person	10,411	10,787	11,114
Aged between 30 and 50	Person	12,228	13,751	14,438
Aged above 50	Person	1,057	1,204	1,270
By geographical region				
Chinese Mainland	Person	21,475	23,452	24,483
Hong Kong, Macao and Taiwan, China	Person	1,238	1,349	1,400
Others	Person	983	941	939
B1.2 Employee turnover rate by gender, age group and geographical region ⁽¹⁾				
Total employee turnover rate	%	8.06	8.52	8.88
By gender				
Male	%	8.21	9.07	7.37
Female	%	7.90	7.92	10.57

ESG Indicators	Unit	2021	2022	2023
By age				
Aged below 30	%	10.20	11.68	13.54
Aged between 30 and 50	%	6.56	6.42	5.78
Aged above 50	%	4.35	4.07	3.39
By geographical region				
Chinese Mainland	%	6.89	7.83	8.42
Hong Kong, Macao and Taiwan, China	%	18.90	12.53	12.43
Others	%	20.04	19.77	15.55

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 2021	Person	0
Number of work-related fatalities in 2022	Person	0
Number of work-related fatalities in 2023	Person	0
Rate of work-related fatalities in 2021	%	0
Rate of work-related fatalities in 2022	%	0
Rate of work-related fatalities in 2023	%	0
B2.2 Lost days due to work injury		
Lost days due to work injury	Day	214

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	2023
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	100
Percentage of trained female employees	%	100	100	100
By employee category				
Percentage of trained management personnel	%	100	100	100
Percentage of trained non-management personnel	%	100	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	119.83
Average training hours completed by female employees	Hour	67.63	125.78	119.96
By employee category				
Average training hours completed by management personnel	Hour	44.99	117.55	112.20
Average training hours completed by non-management personnel	Hour	68.34	126.03	120.10

Note:

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

ESG Indicators	Unit	2021	2022	2023
B5. Supply Chain Management				
B5.1 Number of suppliers by geographical region				
Mainland China	-	783	1,213	1,361
Others	-	23	36	64

Note:

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

ESG Indicators	Unit	2021	2022	2023
B6. Product Responsibility				
Number of customers consulted	Pcs	1,224,428	996,351	795,264
Number of customer complaints received	Pcs	228	232	257
Number of Overall Customer Satisfaction Surveys Conducted	Pcs	389,791	330,157	271,845
Customer satisfaction	%	99.14	99.37	99.35

Note:

(1)The statistics scope of data is taken from the customer contact center platform and the intelligent online management platform, including brokerage business, custody business, asset management business, etc.

(2)The data is taken from the total quantity of complaints accepted by the 12386 CSRC hotline platform, regulatory agency referrals, customer service hotlines and branches.

Appendix

Report Content Index

1. HKEX ESG Reporting Guide Content Index

Aspects	Content and Indicators	Index
Governance Structure	A statement from the board containing the following elements: (i)a disclosure of the board's oversight of ESG issues; (ii)the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii)how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	Statement of the Board of Directors Social Responsibility Strategy and Management - Social Responsibility Management
Reporting Principles	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: 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. 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. 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.	About this report - Reporting principles

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 the report - Scope of the report
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. KPI A1.1 The types of emissions and respective emissions data. 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). KPI A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). KPI A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). KPI A1.5 Description of emissions target(s) set and steps taken to achieve them. 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.	4. Green Development for the Beautiful China Initiative - Climate Change Risk and Opportunity Management - Practicing Green Operations Social Responsibility Performance —Key Environmental Performance Indicators 4. Green Development for the Beautiful China Initiative - Climate Change Risk and Opportunity Management - Practicing Green Operations
Aspect A2: Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials. KPI A 2.1 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). KPI A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility). KPI A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	4. Green Development for the Beautiful China Initiative - Climate Change Risk and Opportunity Management - Practicing Green Operations Social Responsibility Performance —Key Environmental Performance Indicators

Aspects	Content and Indicators	Index
	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.	4. Green Development for the Beautiful China Initiative - Climate Change Risk and Opportunity Management - Practicing Green Operations
	KPI A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Inapplicable
Aspect A3: The Environment and Natural Resources	General Disclosure Policies on minimizing the issuer's significant impact on the environment and natural resources. KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Topic I. Setting Sails for Green Finance Development 4. Green Development for the Beautiful China Initiative - Climate Change Risk and Opportunity Management - Practicing Green Operations
Aspect A4: Climate Change	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer. 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.	4. Green Development for the Beautiful China Initiative - Climate Change Risk and Opportunity Management
B. Social		
Aspect B1: Employment	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. KPI B1.1 Total workforce by gender, employment type, age group and geographical region. KPI B1.2 Employee turnover rate by gender, age group and geographical region.	6 Being Open and Inclusive, for High-Quality Talent Development - Creating a Diverse and Inclusive Workplace Social Responsibility Performance —Key Social Performance Indicators
Aspect B2: Health and Safety	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. KPI B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year. KPI B2.2 Lost days due to work injury.	6 Being Open and Inclusive, for High-Quality Talent Development - Enhanced Employee Care and Protection Social Responsibility Performance —Key Social Performance Indicators

Aspects	Content and Indicators	Index
	KPI B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored.	6 Being Open and Inclusive, for High-Quality Talent Development - Enhanced Employee Care and Protection
Aspect B3: Development and Training	General Disclosure	6 Being Open and Inclusive, for High-Quality Talent Development
	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	- Provide a broad development platform
	KPI B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Social Responsibility Performance —Key Social Performance Indicators
	KPI B3.2 The average training hours completed per employee by gender and employee category.	
Aspect B4: Labour Standards	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 preventing child and forced labour.	6 Being Open and Inclusive, for High-Quality Talent Development - Creating a Diverse and Inclusive Workplace
	KPI B4.1 Description of measures to review employment practices to avoid child and forced labour.	
	KPI B4.2 Description of steps taken to eliminate such practices when discovered.	
Aspect B5: Supply Chain Management	General Disclosure	5. Taking Responsibility and Building Better Future with Heart
	Policies on managing environmental and social risks of the supply chain.	- Building Harmonious Partnerships
	KPI B5.1 Number of suppliers by geographical region.	Social Responsibility Performance —Key Social 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.	
	KPI B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	5. Taking Responsibility and Building Better Future with Heart - Building Harmonious Partnerships
	KPI B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	

Aspects	Content and Indicators	Index
Aspect B6: Product Responsibility	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 health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	2. Leveraging Digital and Intelligent Technology to Provide High-Quality Professional Services - Continuously Improving Customer Experience - Protecting Customer Rights and Interests - Actively Listening to Customers 3. Keeping the bottom line in mind and consolidating sound and high-level governance - Information security protection
	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.	2. Digital Intelligence Innovation, providing professional and high quality services - Active listening to customers Responsible performance -- social key performance indicators
	KPI B6.3 Description of practices relating to observing and protecting intellectual property rights.	3. Keeping the bottom line in mind and consolidating sound and high-level governance - Honest and compliant management
	KPI B6.4 Description of quality assurance process and recall procedures.	2. Digital Intelligence Innovation, providing professional and high quality services - Full protection of customer rights and interests
	KPI B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	2. Digital Intelligence Innovation, providing professional and high quality services - Active listening to customers 3. Keeping the bottom line in mind and consolidating sound and high-level governance - Information security protection

Aspects	Content and Indicators	Index
Aspect B7: Anti- corruption	General Disclosure Information on:	3. Keeping the bottom line in mind and consolidating sound and high-level governance - Honest and compliant management
	(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.	
	KPI B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	
	KPI B7.3 Description of anti-corruption training provided to directors and staff.	
Aspect B8: Community Investment	General disclosure	Theme II. Promoting the common good and the truth, for the common good 5. Taking Responsibility and Building Better Future with Heart - Carrying out social welfare - Promoting investor education - Working together to promote the industry
	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).	
	KPI B8.2 Resources contributed (e.g. money or time) to the focus area.	

2. The Recommendations of the Task Force on Climate-related Financial Disclosures

Pillars	Content and Indicators	Index
Governance Structure	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 b) Describe the management's role in assessing and managing climate-related risks and opportunities.	4. Green Development for the Beautiful China Initiative - Climate Change Risk and Opportunity Management
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy and financial planning where such information is material. a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning. c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	4. Green Development for the Beautiful China Initiative - Climate Change Risk and Opportunity Management We are assessing the feasibility and options for implementing climate change scenario analysis and will plan for implementation in the future based on the assessment.
Risk Management	Disclose how the organisation identifies, assesses and manages climate-related risks. a) Describe the organisation's processes for identifying and assessing climate-related risks. b) Describe the organisation's processes for managing climate-related risks. c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	4. Green Development for the Beautiful China Initiative - Climate Change Risk and Opportunity Management
Metrics and Targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material. a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks. c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	4. Green Development for the Beautiful China Initiative - Climate Change Risk and Opportunity Management Social Responsibility Performance —Key Environmental Performance Indicators

3. Content Index of Shenzhen Guidelines on Environmental Information Disclosure for Financial Institutions

Indicators		Index
Basic Information		About CITIC Securities
Strategic goals	Targets related to environment and green finance	4. Green Development for the Beautiful China Initiative - Climate Change Risk and Opportunity Management
	Development strategies related to environment and green finance	4. Green Development for the Beautiful China Initiative - Climate Change Risk and Opportunity Management
Governance structure	Board	Social Responsibility Strategy and Management - Social Responsibility Management
	Senior management	4. Green Development for the Beautiful China Initiative - Climate Change Risk and Opportunity Management
	Professional department	- Climate Change Risk and Opportunity Management
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)	4. Green development, promote the construction of beautiful China - Responding to climate change
Environmental risk management	Environmental risk and opportunity management mechanism	4. Green Development for the Beautiful China Initiative - Climate Change Risk and Opportunity Management
	Identified environmental risks and opportunities	4. Green Development for the Beautiful China Initiative - Climate Change Risk and Opportunity Management

Indicators	Index
Environmental impact of business activities	Energy consumption of business activities Business and office water consumption Business office paper consumption Waste discharge from business premises Total direct and indirect greenhouse gas Emissions (Scope 1 to Scope 3)
	Environmental impact of business activities 4. Green Development for the Beautiful China Initiative - Climate Change Risk and Opportunity Management Social Responsibility Performance —Key Environmental Performance Indicators 4. Green Development for the Beautiful China Initiative - Climate Change Risk and Opportunity Management - Practising Green Operation - Promoting Ecological Protection
	Overall investment and financing situation 1. Contributing to High-Quality Economic Development - Deepening Sustainability Investment and Finance Systems
	Green investment and financing activities FEATURE 1: Developing Green Finance 1. Contributing to High-Quality Economic Development - Deepening Sustainability Investment and Finance Systems
	Environmental benefits of green investment and financing activities Overall carbon emissions from investment and financing activities Carbon footprint of investment and financing activities
In view of the fact that there is no publicly available calculation method and the Company's data base is not yet complete at this stage, the relevant information is not disclosed for the time being out of prudence, and will be disclosed in due course in the future in accordance with the circumstances.	

Indicators	Index
Innovation and research	Green finance research FEATURE 1: Developing Green Finance 1. Contributing to High-Quality Economic Development - Deepening Sustainability Investment and Finance Systems
	Green finance Achievement Award About CITIC Securities - 2023 Company Honors FEATURE 1: Developing Green Finance
	Green finance innovation practice cases FEATURE 1: Developing Green Finance 1. Contributing to High-Quality Economic Development - Deepening Sustainability Investment and Finance Systems
Data quality management	Data combing, verification, and protection 3. Sticking to the Bottom Line and Enabling Sound and High-level Governance
	Data security emergency plan - Information Security Protection

Reader Feedback

Dear Readers,

Thank you for taking the time to read the 2023 Social Responsibility Report of CITIC Securities. In order to improve the quality of social responsibility 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:

Address: 10th Floor, CITIC Securities Tower, No.48 Liangmaqiao Road, Chaoyang District, Beijing Tel: 0086-10-60836030

E-mail: ir@citics.com Fax: 0086-10-60836031

CITIC Securities Company Limited
March 2024

 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	2	3	4	5
2. I am satisfied with the ESG performance of the Company.	1	2	3	4	5
3. I am satisfied with the disclosure level of this report.	1	2	3	4	5
4. This report responds to and discloses issues of interest to stakeholders.	1	2	3	4	5
5. I am satisfied with the report.	1	2	3	4	5

Other comments:
