



China International Capital Corporation Limited

(a joint stock limited company incorporated in the People's Republic of China)

Stock code: 3908



2022

Environmental, Social and
Governance Report

CONTENT

About this Report	2
--------------------------	----------

Message from Our Management	4
------------------------------------	----------

About the Company	5
--------------------------	----------

Company profile	5
-----------------	---

Statement of the Board	5
------------------------	---

Corporate governance	5
----------------------	---

Awards and honors	7
-------------------	---

01

Practicing Responsible Management 8

Responsibility management system	9
Stable and compliant operation	12

02

Embracing Green Development 18

Responding to climate change	19
Promoting green office	22
Practicing environmental concept	24
Expanding green impact	25

03

Commitment to Responsible Finance 27

Implementing the "dual carbon" policy for green finance	28
Influential finance for the community	34
ESG investment	37
Consolidating the theory of responsibility	42

04

Quality Service for Client 48

Adhering to product responsibility	49
Innovating products and services	52
Improving customer experience	56
Popularizing financial education	58

05

Growing with Our People 59

Protecting employee rights	60
Cultivating professional team	62
Caring for employees	67
Open and inclusive culture	69

06

Undertaking Social Responsibility 70

Supporting rural revitalization	71
Participating in public welfare	73

Appendix: ESG Index	77
----------------------------	-----------



About This Report

REPORTING SCOPE:

Data and facts involved herein covers China International Capital Corporation Limited and its branches and subsidiaries. For the convenience of expression, they are referred to as “CICC”, “the Company” or “We”.

REPORTING PERIOD:

This is an annual report. The Reporting Period is from January 1, 2022 to December 31, 2022. Some contents may be extended to 2023 to make this report more comparable and forward looking.

PREPARATION BASIS:

This report was prepared in accordance with the Environmental, Social and Governance (ESG) Reporting Guide as set out in Appendix 27 of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with reference to the GRI Sustainability Reporting Standards issued by the Global Sustainability Standards Board (GSSB).

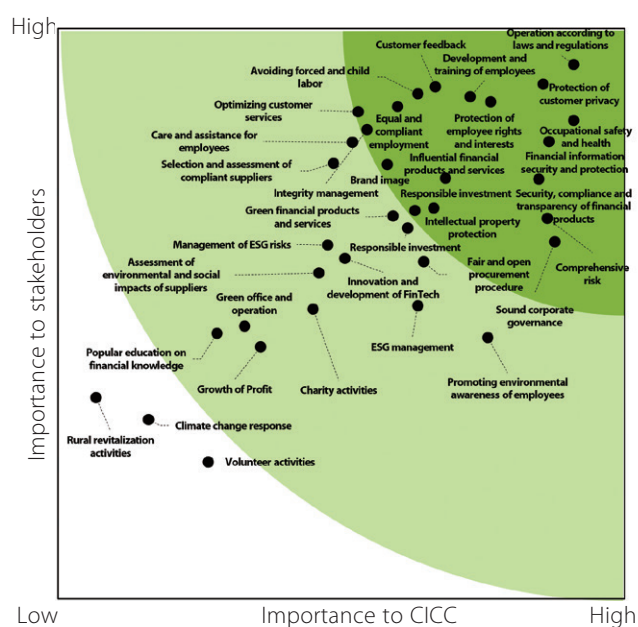
PREPARATION PRINCIPLES:

This report is prepared in line with the principles of materiality, quantitative, balance and consistency.

- **Materiality:** The communication with stakeholders, as well as the identification process and the matrix of substantive issues are disclosed in this report.
- **Quantitative:** Statistical standards, methods, assumptions and/or calculation tools for quantitative key performance indicators herein and source of conversion factors are all explained in the definitions of the report.
- **Balance:** This report shall provide an unbiased picture of the Company's performance during the reporting period and should avoid selections, omissions or presentation formats that may inappropriately influence the decision or judgment made by the report readers.
- **Consistency:** The statistical methodologies and basis applied to the data disclosed in this report are consistent unless otherwise stated.

PREPARATION METHOD:

The Company continued to identify and assess material issues through sending questionnaires to stakeholders. After further understanding the expectations and concerns of stakeholders and taking into account the actual operation and management of the Company, the Company adjusted the issues of the previous year and identified 35 key issues for ESG work which were disclosed in this report.



- | | |
|---|---|
| ① Financial information security and protection | ⑲ Climate change response |
| ② Operation according to laws and regulations | ⑳ Responsible investment |
| ③ Intellectual property protection | ㉑ Assessment of environmental and social impacts of suppliers |
| ④ Popular education on financial knowledge | ㉒ Promoting environmental awareness of employees |
| ⑤ Comprehensive risk management and control | ㉓ Customer feedback |
| ⑥ Influential financial products and services | ㉔ Development and training of employees |
| ⑦ Innovation and development of FinTech | ㉕ Growth of profit |
| ⑧ Integrity management | ㉖ Green financial products and services |
| ⑨ Optimizing customer services | ㉗ Protection of customer privacy |
| ⑩ Occupational safety and health | ㉘ Rural revitalization activities |
| ⑪ Equal and compliant employment | ㉙ Charity activities |
| ⑫ Brand image | ㉚ Avoiding forced and child labor |
| ⑬ Security, compliance and transparency of financial products | ㉛ Care and assistance for employees |
| ⑭ Protection of employee rights and interests | ㉜ Volunteer activities |
| ⑮ Selection and assessment of compliant suppliers | ㉝ Sound corporate governance |
| ⑯ Fair and open procurement procedure | ㉞ Management of ESG risks |
| ⑰ Green office and operation | ㉟ Responsible marketing |
| ⑱ ESG management | |

DATA DESCRIPTION:

Unless otherwise stated, the statistical scope of data disclosed herein covers China International Capital Corporation Limited and its branches and subsidiaries.

Unless otherwise stated, the amounts in this report are denominated in Renminbi ("RMB").

REPORT FORMAT:

This report is released in an electronic version, and can be downloaded on HKEXnews (website: <http://www.hkexnews.hk>), Shanghai Stock Exchange (website: <http://www.sse.com.cn>) and our website (website: <http://www.cicc.com>).

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Message from Our Management

The year 2022 was unusual and extraordinary. China rode the waves of multiple challenges to maintain economic growth. CICC, adhering to the original aspiration of “For the Nation”, united its strengths and forge ahead to actively serve the priorities of economic and social development and actively practice the responsibility of state-owned holding financial enterprises against the complex and ever-changing internal and external environments and market situations.

CICC is committed to becoming a practitioner and supporter of ESG by thoroughly carrying out the ESG development concept. We strengthened ESG management by improving governance structure and renamed the Strategy Committee under the Board as the “Strategy and ESG Committee” and established the “ESG Office”. We continued to enhance the integrity and effectiveness of our ESG management system to promote the realization of the overall goal of sustainable development based on an integrated ESG management structure. We have been working with various partners to develop extensive exchanges and cooperation while following up and studying the development of sustainable finance and ESG. We actively participate in and express our opinions in domestic and international sustainable finance-related forums and activities for the development of the industry.

CICC actively responds to the national “Carbon Peak and Carbon Neutrality” strategy and contributes to green development. At the operating level, we make the most of our strengths in energy saving and emission reduction, and explore new ideas of energy saving and emission reduction from green operation and green building. At the business level, leveraging on our professional advantages and giving full play to the function of financial institutions in optimizing resource allocation, we embrace the philosophy of responsible investment and vigorously develop green and sustainable products and services to promote the high-quality development of sustainable finance in all aspects. In addition, CICC has been approved by the CSRC to participate in proprietary carbon emission permit trading business in domestic exchanges as authorized, which actively promotes the green and low-carbon transformation of the economy.

CICC makes every effort fulfill its corporate social responsibility, actively participates in social welfare undertakings through engagement in various areas including education, medical care and disadvantaged groups, in order to give back to the community with our heart and strength. We carry out charity projects in 18 provinces, autonomous regions and municipalities directly under the Central Government across the country and continue to make donations in the fields of education, ecological protection and disaster relief, benefiting more than 70,000 people in total.

Looking ahead, CICC will thoroughly implement the spirits of the 20th CPC National Congress and the Central Economic Work Conference. We will continuously strive to provide professional, efficient and high-quality financial services in accordance with the development needs of the real economy, since we always keep firm confidence in our development. At the same time, we will be committed to implementing the ESG concept and promoting the positive interaction between economic development and ecological civilization with a view to making more contributions to green and low-carbon sustainable development in a financial way.

About the Company

COMPANY PROFILE

China International Capital Corporation Limited is headquartered in Beijing. As of December 31, 2022, our Group has a number of subsidiaries in the PRC, including CICC Wealth Management Securities, CICC Capital, CICC Fund Management, CICC Pucheng, CICC Futures and CICC Private Equity. Moreover, our Group has established branch companies in Shanghai, Shenzhen, Xiamen, Chengdu, Hangzhou, Jinan, Chongqing, Shenyang, Nanjing and Suzhou. The Group and its subsidiaries with over 200 securities branches are located in 29 provinces, autonomous regions and municipalities of the PRC. As the scope of business continues to expand, our Group has also actively ventured into overseas markets and has established subsidiaries or offices in seven international financial centres, namely Hong Kong, New York, London, Singapore, San Francisco, Frankfurt and Tokyo, with our international presence further strengthened, laying a solid foundation for our Company to become a world-class investment bank in China.

For further details about the Company, please refer to the "Company Profile" section of the annual report.

STATEMENT OF THE BOARD

The Board of the Company attaches great importance to the management of environmental, social and governance (hereinafter referred to as "ESG") work, and strictly implements the *Code of Corporate Governance of Listed Companies*, the *ESG Reporting Guide* of the Hong Kong Stock Exchange and other relevant requirements. The Board of the Company is committed to improving the ESG governance system, management procedure and information disclosure, ensuring the establishment of an appropriate and effective ESG work and operation mechanism.

The Board of the Company is responsible for supervising, reviewing and deciding on ESG-related issues. Based on management, operations and stakeholder communications, the Board determines the priorities of sustainable development of the Company to properly fulfil our sustainable development obligations. The Board of the Company is also in charge of reviewing the information disclosed in the *Environmental, Social and Governance Report* of the Company. This report has also been published after being considered by the Board.

The Board of the Company will continue to follow up the ESG performance of the Company and provide stakeholders with practical and reliable ESG-related information.

CORPORATE GOVERNANCE

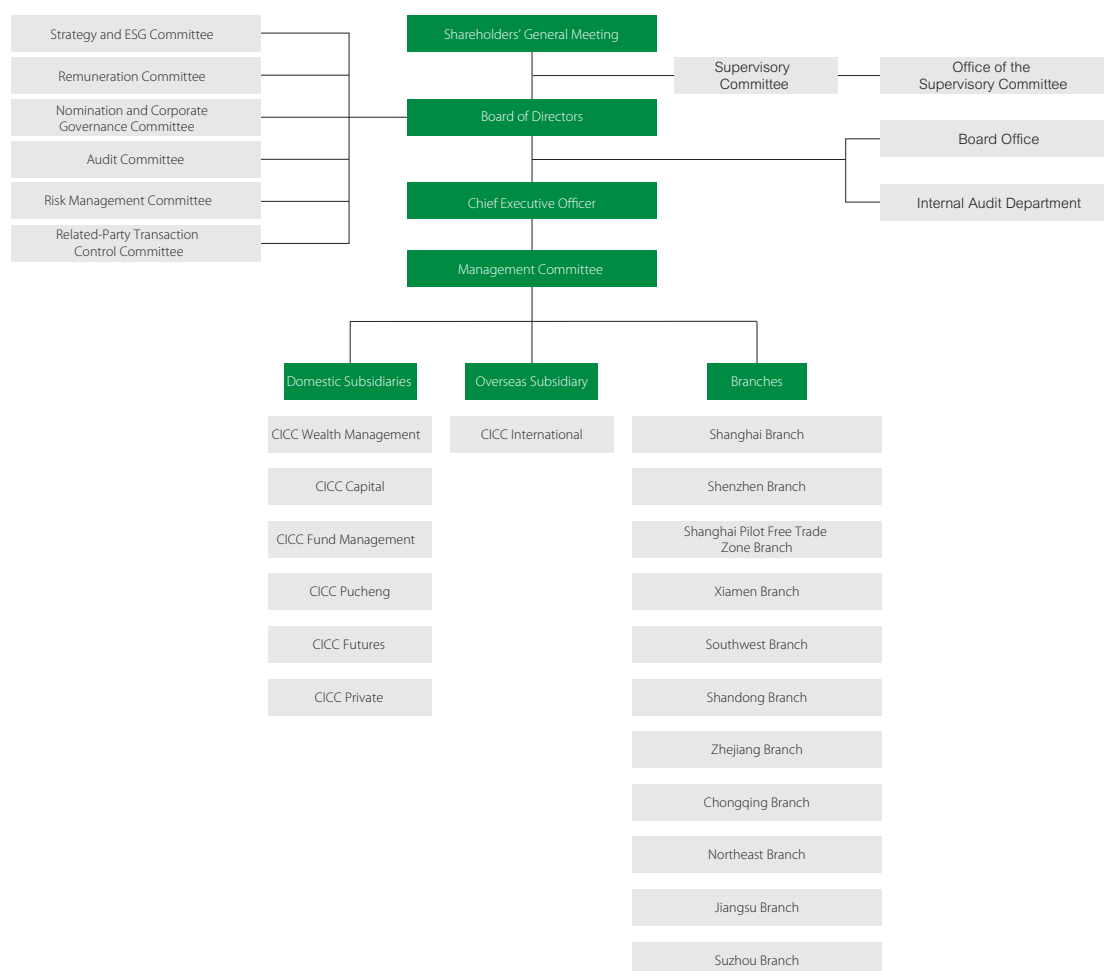
As a leading investment bank with Chinese roots and international reach, and a company registered in China and listed on the Shanghai Stock Exchange (SSE) as well as the Hong Kong Stock Exchange, the Company operates in strict accordance with the laws, regulations and normative documents issued in Chinese mainland and Hong Kong and has established a sound complete corporate governance structure composed of the Shareholders' General Meeting, the Board of Directors, the Supervisory Committee and the management of the Company in accordance with the requirements of the *Company Law of the PRC*, the *Securities Law of the PRC*, the *Rules on Supervision over Securities Companies*, the *Code of Corporate Governance for Securities Companies* and other laws, regulations and normative documents, contributing to the establishment of a complete corporate governance system of deliberation, decision-making, authorization and implementation with clear authority and responsibility, standardized operation, mutual coordination and checks and balances among the organ of power, the organ of decision-making, the organ of supervision and the management.

On March 30, 2022, the Board considered and approved the *Proposal on the Change of Name of the Strategic Committee of the Board of Directors and the Amendment to the Terms of Reference of the Committee of China International Capital Corporation Limited* in order to further improve the environmental, social and governance system of the Company, actively implement the concept of high quality development and promote the long-term sustainable development of the Company. In light of the actual situation of the Company, the Company renamed the Strategy Committee under the Board as "Strategy and ESG Committee" and amended the *Terms of Reference of the Strategy Committee of the Board of Directors of China International Capital Corporation Limited* accordingly to add ESG-related responsibilities.

For further details about corporate governance, please refer to the "Corporate Governance Report" section of the annual report.

About the Company

The organizational structure of the Company is as follows:



Note: In this organizational chart, the subsidiaries presented under domestic subsidiaries and the overseas subsidiary are controlled and consolidated subsidiaries that belong to the second-tier structure in the organizational structure, excluding joint ventures and associates.

AWARDS AND HONORS

In 2022, the Company, adhering to the original aspiration of “For the Nation”, united its strengths to forge ahead and blaze new trails against the severe and uncertain trends. We continued to give play to our professional services and became a practitioner and supporter of ESG, and won a number of social responsibility awards. For more details of the awards, please refer to the “Major Honors Awarded” section of the annual report.



Awards Sponsor	Awards/Honors
Institutional Investor	All-Asia Honored Companies (Rank 2) and Best ESG (Combined & Buyside Rank 2)
Fortune	ESG Influence Ranking of China 2022 (Top 40)
China Association for Public Companies	Best ESG Practice Cases of A-share Listed Companies
NBD	Best ESG Securities Companies
Tencent	Best ESG Enterprises
China Securities Journal	Best Securities Companies for CSR
The Time Weekly	Best Financial Institution for Social Responsibility
China Business Journal	Outstanding Social Responsibility Securities Company
China.com	Annual ESG Enterprise
Forbes China	Annual Best Employers, Most Sustainable Employers
Global Finance	Best Bank for Green Bonds
Jiemian	Best ESG for Green Finance of the Year
Sina	Best Securities Company for Responsible Investment
Chinese Venture	China Green Investment Institutions Top 30 (CICC Capital)
FOF WEEKLY	Social Responsibility and Carbon Neutrality Investment Institutions Top 20 (CICC Capital)
Organizing Committee of Global PE Forum and Beijing Private Equity Association	Top 20 Active Investment Institutions in China's Carbon Neutrality Sector (CICC Capital)
Shanghai Environment and Energy Exchange	Excellent Carbon Finance Practice
HKQAA	Outstanding Award for Green and Sustainable Bond (China International Capital Corporation Hong Kong Securities Limited)
Wallstreetcn	1st ESG's Annual Innovation Experiment List
Aon	China Best ESG Employer
Universum	Student Most Attractive Employers in China: Corporate Social Responsibility Award
Mercer China	2022-2023 China Healthiest Workplace Awards

01



Practicing Responsible Management

CICC is committed to integrating the management of ESG issues into business operations and development, continuously optimizing our ESG governance structure and risk management system, and continuously consolidating anti-corruption, anti-money laundering and other integrity operation management to promote the Company's compliance and stable development.

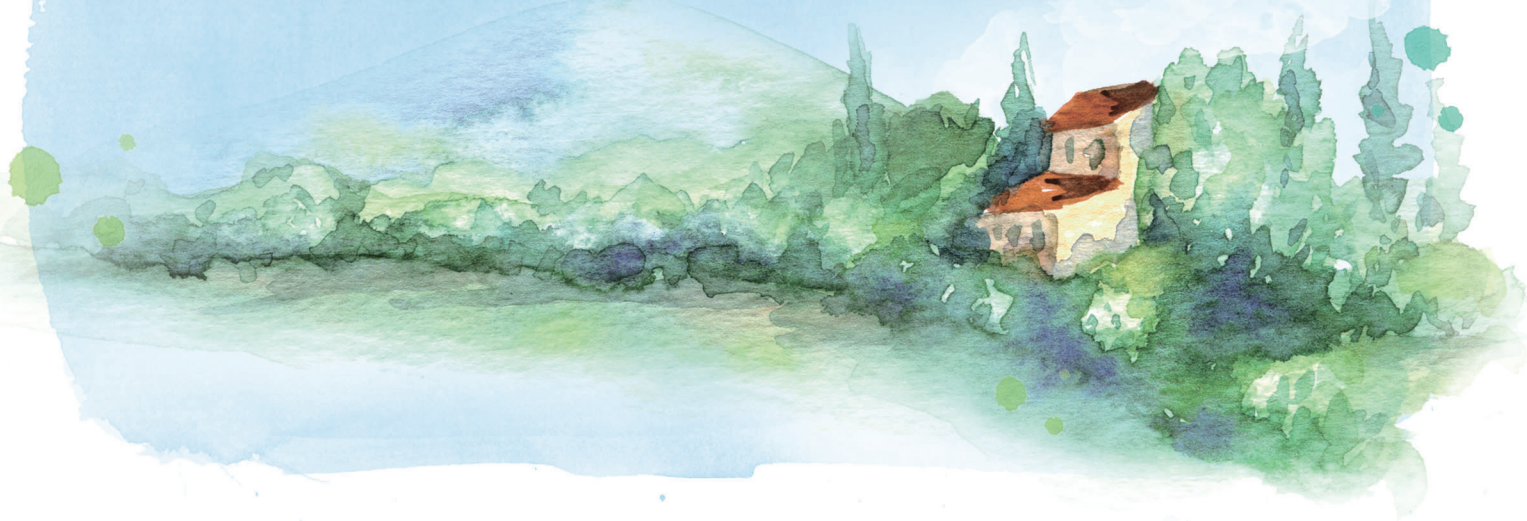
Our Performance

Anti-money laundering training

70 times,
covering over 11,600 person-times

Anti-corruption training

11 times,
covering 11,577 person-times

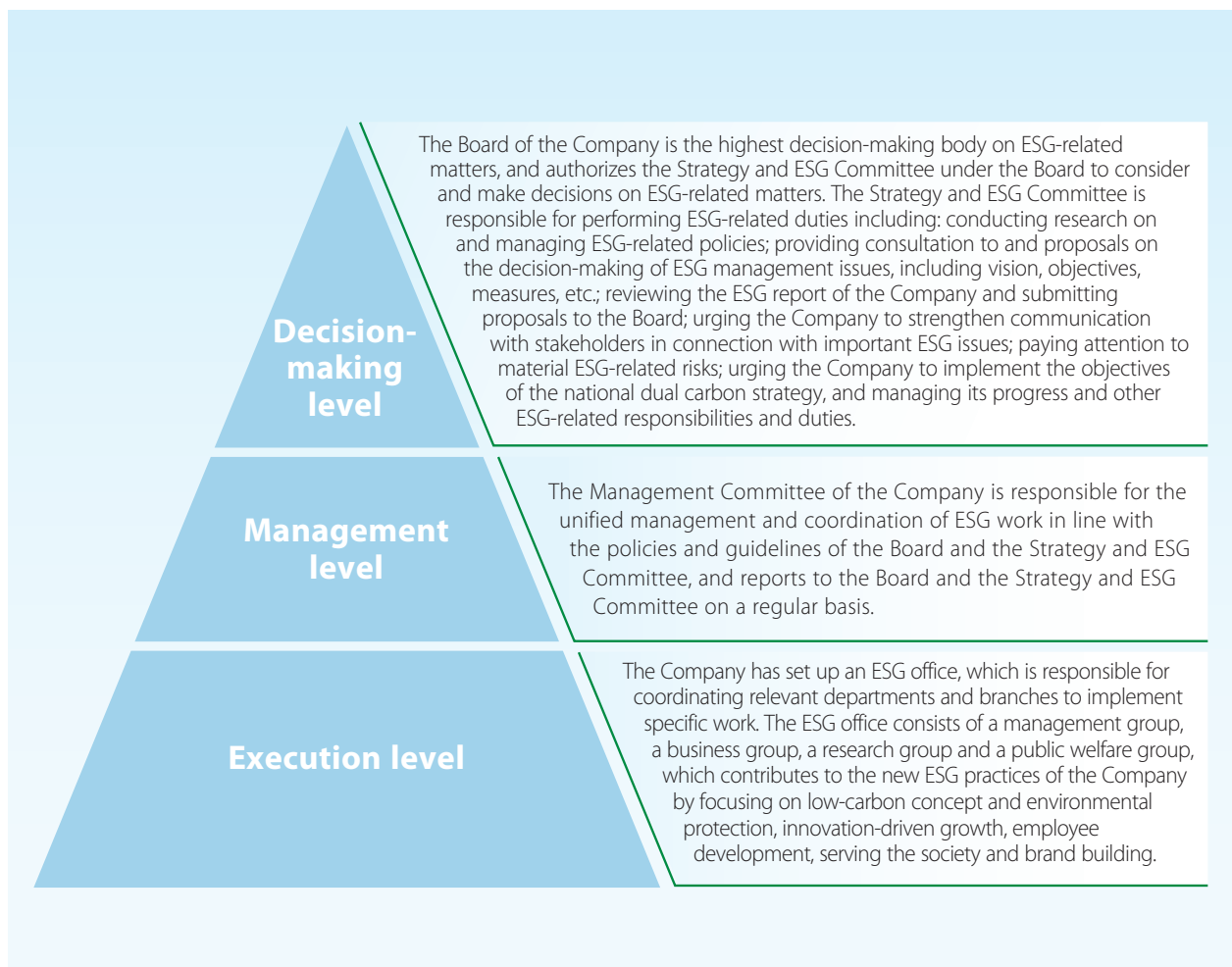


01 Practicing Responsible Management

1.1 RESPONSIBILITY MANAGEMENT SYSTEM

• ESG governance system

In order to ensure the smooth and orderly development of sustainable development management, the Company has defined the top-down ESG management responsibilities and duties covering “decision-making, management and execution levels”. In March 2022, the Company officially renamed the Strategy Committee under the Board as the “Strategy and ESG Committee” to improve governance structure fit for ESG. In April 2022, the Company’s ESG Committee and ESG Office were officially established.



With the continuous improvement of ESG governance system, the Company has created more social value and has been widely recognized by the society. During the Reporting Period, the Company’s MSCI ESG rating was upgraded to A.

MSCI ESG rating upgraded to A

01 Practicing Responsible Management

• Communication with stakeholders

CICC lays emphasis on continuous and regular communication with stakeholders. We look into the expectations and demands of stakeholders via diversified communication channels, and effectively optimize relevant management work, with a view to performing our social responsibilities and creating value for our stakeholders.

In addition to the following daily communication methods, in the preparation of the report, the Company engaged independent consultants to conduct a series of stakeholder communication activities, including online interviews and questionnaires, and determined the key contents of this report according to the *ESG Reporting Guide* of the Hong Kong Stock Exchange and MSCI ESG rating indicators and the actual operation condition of the Company.



Major stakeholders	Expectations and demands	Communication methods
Government and regulators	<ul style="list-style-type: none"> • Operation according to laws and regulations • Serving national economic development strategies, and supporting the development of people's livelihood • Maintaining the stability and security of financial system 	<ul style="list-style-type: none"> • Government and regulatory document requirements • Work conference exchange • Information material submission • Research, visit and communication
Trade and industry associations	<ul style="list-style-type: none"> • Strengthening industry self-discipline • Optimizing financial services • Promoting industry development through exchanges 	<ul style="list-style-type: none"> • Communication via telephone and email • Information material submission • Training and conference exchange • Questionnaire
Shareholders and investors	<ul style="list-style-type: none"> • Strict risk control • Steady and honest operation • Reasonable return • Sound development plan • Smooth information communication • Improving compliance and internal control • Good corporate governance 	<ul style="list-style-type: none"> • Shareholders' meeting • Roadshow for investors • Symposium • Investor hotline and mailbox • Research via questionnaire • Results presentation • Reception day for investors of companies in the region



01

Major stakeholders	Expectations and demands	Communication methods
Customers	<ul style="list-style-type: none"> • High-quality and safe financial services and products • Protecting privacy and security • Ensuring response to service feedback • Reasonable publicity • Fintech empowerment • Popularization of financial knowledge 	<ul style="list-style-type: none"> • Consumer hotline • Research and visit • Lectures on financial knowledge
Employees	<ul style="list-style-type: none"> • Equal and compliant employment • Protecting employee's legal rights • Sound career development • Ensuring occupational health and safety • Communicating with employees • Caring for employees 	<ul style="list-style-type: none"> • Staff communication meeting • Research via questionnaire • Internal Communication Forum
Suppliers and partners	<ul style="list-style-type: none"> • Fair and good cooperation • Supply chain management 	<ul style="list-style-type: none"> • Sourcing and supplier selection • Signing of contract agreement • Telephone, email and on-site communication
Environment	<ul style="list-style-type: none"> • Developing green finance • Implementing green operation • Promoting green office 	<ul style="list-style-type: none"> • Measures of energy conservation and emission reduction • Green and low-carbon activities • Green financial products
Community and the public	<ul style="list-style-type: none"> • Social welfare activities • Employee volunteer activities • Promoting rural revitalization 	<ul style="list-style-type: none"> • Charity activities • Volunteer activities • Visits
Media	<ul style="list-style-type: none"> • Maintaining a good brand image and public relations 	<ul style="list-style-type: none"> • Interviews

01 Practicing Responsible Management

1.2 STABLE AND COMPLIANT OPERATION

CICC insists on operating in a disciplined and diligent manner, and continues to strengthen anti-corruption, anti-money laundering and other integrity management and supplier management to provide quality services to clients and promote the Company's compliance and stable development.

• Risk management

The Company has always believed that risk management creates value. The risk management of the Company aims to effectively allocate risk-based capital, limit risks to a controllable level, maximize the corporate value and constantly solidify the foundation for the steady and sustainable development of CICC. We have sound corporate governance, effective risk management measures and a strict internal control system. Through enhancing and improving the internal control structure, compliance and risk management culture, our Company has made internal control and risk management an essential aspect of the business operation management.

CICC has established a multi-level risk management organizational structure which comprises the Board, the Supervisory Committee, senior management, independent departments performing risk management functions, business departments and branches, of which:

- The **Board of Directors** is the top level of our Company's risk management and internal control governance structure and is responsible for facilitating the enforcement of the firmwide risk management culture and reviewing and approving the overall risk management goals, risk appetite, risk tolerance, important risk limits and the risk management policy of our Company. The Board of Directors performs its risk management duties primarily through the Risk Management Committee and the Audit Committee;
- The **Supervisory Committee** assumes the supervision duty on the effectiveness of the overall risk management of our Company, and supervises and inspects the fulfillment of the risk management duties performed by the Board and the management, and reviews the rectification of risk management deficiencies and findings;
- The **Management Committee** is chaired by the Chief Executive Officer and determines the risk appetite of our Company in accordance with the overall risk management goals set by the Board and assumes the major responsibility of ensuring the effectiveness of the overall risk management of our Company;

- The **Risk Committee** established under the Management Committee reports risk issues to the Management Committee and reports significant risk matters to the Risk Management Committee under the Board;
- **Independent departments performing risk management functions** coordinate to manage various risks based on their respective perspectives;
- **Heads of business departments and branches** take the primary responsibility for the effectiveness of risk management.

CICC persisted in implementing the risk management and control requirements of “full coverage, looking through, and full cycle”, and continuously strengthened the integrated vertical risk management system covering its subsidiaries and branches. Through joint efforts on risk management control of three lines of defense, the Company actively identified, prudently evaluated, dynamically monitored, timely reported and proactively coped with risks. We deeply publicized the risk management culture, continuously enhanced risk management capabilities, coordinated its business plans, considered its risk appetite, reviewed and improved the multi-dimensional and multi-level risk management system, optimized the management mechanism and processes prospectively, and continuously promoted the optimization and sustainable development of its business models. During the Reporting Period, the business operation of the Company was stable without material risk events and large losses, and the overall risks were controllable and tolerable.

• Management of ESG risks

CICC focuses on strengthening the assessment of ESG risks and fully considers ESG risk factors in business and operation. In particular, we pay attention to the investment ratio of “Two-high-and-one excessive” (high pollution, high energy consumption and overcapacity) industries in terms of environmental factors, negative information and public opinions on the Company in terms of social factors, and the information on public penalties, performance of Directors, Supervisors and senior management, financial fraud and other aspects in terms of governance factors. In case of any material negative information, the Company will prohibit relevant investments after strict approval to avoid ESG-related risks. For example, the Shandong Green Development Fund screens projects with high ESG risks through the ESMS evaluation policy, which evaluates projects in three aspects: environmental protection, involuntary migration protection and indigenous people protection, thus avoiding investment in projects with high ESG risks.

In addition, CICC’s Asset Management Department has established a comprehensive ESG risk management system, covering the entire process of investment and promoted the implementation step by step.

01 Practicing Responsible Management

• Compliance management

CICC has strictly complied with the *Securities Law of the PRC*, the *Administrative Measures on Compliance of Securities Firms and Securities Investment Fund Management Companies* (《證券公司和證券投資基金管理公司合規管理辦法》) and other laws and regulations, and established a compliance management system covering various business areas with the Compliance Management Policy of CICC as the core. The system was revised and approved by the Board of the Company in August 2017, which further clarifies the compliance management responsibilities of the Board, the Supervisory Committee, the person in charge of compliance, the management staff at all levels and all staff, as well as important contents such as the protection of compliance performance. In addition, CICC has established compliance policies including the *Policy on the Management of Incorruptible Working for Employees of CICC* (《中金公司工作人員廉潔從業管理制度》), the *Policy on the Management of All Employee Transactions, Private Investments and External Activities* (《全球員工交易、私人投資和外部活動政策》), the *Information Barrier Walls Policy* (《信息隔離牆政策》), the *Policy on the Management of Employees' Conflict of Interests* (《員工利益衝突管理政策》) and the *Seal Management Policy* (《印章管理政策》) as well as a series of anti-money laundering system policies to establish a basic standard of practice for all practitioners.

In terms of compliance control measures, we have instituted a four-part system of "system, publicity, inspection and accountability" to perfect the compliance control system of the Company, which incorporates pre-prevention, mid-control, and post-supervision. We have strengthened the regulatory publicity and clarified the regulatory red line, thereby raising the level of compliance awareness among

personnel. Moreover, we have expanded the scope of compliance inspections and advanced the quality of these inspections, while reinforcing regulatory communications and clarifying the direction and focus of compliance control. We have further refined the reporting mechanisms and strengthened compliance supervision and accountability warnings to prevent integrity risks.

In terms of compliance culture, the Company actively implemented compliance trainings through offline training and online training with supporting compliance testing to improve the frequency, efficiency and coverage of training and consolidate the results of the training. In addition, we invited nearly 30 external organizations both inside and outside of China to conduct compliance training and exchanges, and procured compliance training courses from third parties.

- During the Reporting Period, the Company carried out nearly 300 compliance promotion and training sessions through the legal compliance work platform (e-LC platform), online meetings, offline meetings, emails, telephones, etc.
- During the Reporting Period, the Company issued 186 promotion and training articles through the WeChat public website, fully covering the Company's business development and compliance needs.
- The legal compliance platform (e-LC platform) launched more than 270 courses and more than 40,000 person-times of employees have participated in training and examinations.

• Integrity management

CICC strictly abides by the *Criminal Law of the People's Republic of China*, the *Anti-Money Laundering Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, the *Detailed Implementation Rules on the Professional Integrity of Securities and Futures Business Institutions and Their Employees* and other laws, regulations and requirements of policy documents, and has formulated a number of internal systems on anti-money laundering, anti-corruption and anti-bribery and professional integrity, including the *Working Rules and Procedures on Management and Treatment of Clues to Problems* (《問題線索管理處置工作規程》), the *Implementation Measures for Replying to Opinions on Party Ethics and Integrity* (《黨風廉政意見回復工作實施辦法》), the *Implementation Measures on Integrity Talks with Managerial Staff Before Taking Office* (《管理幹部任前廉政談話實施辦法》). During the Reporting Period, the

Company completed the revision of the *Policy on Integrity Practice Management of Employees of CICC* and the *Policy on the Management of Employees' Conflict of Interests* (《員工利益衝突管理辦法》) and the formulation of the *Professional Integrity Report Management Regulations* (《廉潔從業舉報管理辦法》) to regulate the Company's staff in conducting business activities and external exchanges, thus implementing the relevant requirements on professional integrity and effectively managing and preventing the act of obtaining or transferring improper interests in business activities.

During the Reporting Period, the Company launched 11 anti-corruption and integrity trainings for all employees, covering a total of 11,577 person-times. The Company did not have any litigation arising from violations of laws and regulations concerning anti-corruption, anti-bribery, anti-fraud and anti-money laundering in the places where the Company operates.

01

Management Actions

- **Establishing a global integrity compliance management system.** The Company has set up an Integrity Task Force, which has developed a comprehensive benchmarking process that incorporates best practices from both domestic and international sources, including institutional mechanisms, system construction and risk assessment with specific plans for implementation.
- **Enhancing supervision, inspection and accountability.** The Company organized all departments of the Company to carry out integrity risk inspections on a regular or irregular basis, comprehensively sorted out the procedures of domestic and overseas businesses to identify integrity risks, and caused responsible departments to formulate prevention and control measures, so as to promote the construction of a comprehensive risk management system. The Company has set up a special chapter in the newly formulated *Implementation Rules for Handling Violations by Employees of CICC* (《中金公司員工違規行為處理實施細則》) to provide for the conduct and handling of violations of the integrity requirements, and ensure zero tolerance for violations of the integrity requirements.
- **Strengthening management through audit and supervision.** During the auditing process, the Internal Audit Department of the Company attached importance to potential risk points relating to integrity practice, inspected the check and balance of key positions and the separation of positions and responsibilities, carried out inspections around business-related risk points relating to integrity practice, and paid attention to the check and balance of the exercise of power. Meantime, the department laid emphasis on whether there were new risk points relating to integrity practice as the business changes, and promoted the establishment of relevant mechanisms for such changes in risk points. The department stressed the preventive effect of the design and implementation of relevant control mechanisms on the professional integrity to avoid any room or opportunity for violations of the professional integrity. At the same time, it checked the trainings provided by the relevant department for its employees to improve their self-discipline and ethical standards, and reviewed the accountability incidents and subsequent handling to strengthen the warning effect.

– Effectively regulating public complaints and whistleblowing.

We have established various reporting channels such as telephone and mailbox for whistle-blowing, and have newly added whistle-blowing clauses in the contracts with customers and third parties. The Company strictly protected whistleblowers. On the one hand, we keep strictly confidential the personal information of whistleblower and the content of whistle-blowing, verify public complaints and whistle-blowing confidentially, and seriously deal with employees who leak such information. On the other hand, during the process of public complaints and whistle-blowing, if the legal rights of the whistleblower are so threatened or infringed, we will support the application for protection and fully ensure the information security of the whistleblower.

Integrity Training

- **Integrity Column.** We have set up an "Integrity Column" on the Company's official website and legal compliance platform, and uploaded training materials for all employees and the public to review and study. 34 courses on professional integrity, conflict of interest and anti-bribery are available, covering all business lines and including both Chinese and English versions. At the same time, we organized integrity training and examinations, and more than 10,000 people passed the relevant integrity examinations. We made it mandatory for new employees to participate in integrity compliance training to deeply integrate the concept of integrity.
- **Integrity publicity.** We issued a total of 60 warning cases, involving 83 typical cases. We conducted in-depth explanations of the cases and summarized the characteristics and rules of the cases. We helped employees to clarify the red lines on laws and regulations, promoted governance and rectification of dishonest practices through cases, and strengthened warning education. We also published monthly reports on legal compliance risks and quarterly case compilations for 15 times, involving about 600 cases/penalties, including the content of professional integrity.
- **Cultural activities.** During the Reporting Period, the Company launched the "Integrity and Compliance Promotion Month" and the collection of literary works, including paintings, articles, short videos, to create a positive and healthy atmosphere and guide all employees to build up the awareness of compliance and strictly adhere to the bottom line of integrity.

01 Practicing Responsible Management

• Anti-money laundering management

CICC has established an internal anti-money laundering control system applicable to the headquarter department, branches and relevant domestic and overseas subsidiaries, and revised the *Policy on Anti-Money Laundering and Counter-Terrorist Financing Work Evaluation*, the *Policy on Anti-Money Laundering and Counter-Terrorist Financing Publicity and Training*, the *Policy on Anti-Money Laundering and Counter-Terrorist Financing Confidentiality Work*, the *Measures for the Management of Money Laundering and Terrorist Financing Risk Assessment and Classification of Customers*, the *Policy on Anti-Money Laundering and Counter-Terrorist Financing Audit*, the *Policy on Anti-Money Laundering and Counter-Terrorist Financing Work Management*, and other internal policies during the Reporting Period. CICC has formulated the *Policy on Anti-Money Laundering and Counter-Terrorist Financing List Monitoring*, the *Implementation Rules for the Policy on the Management of Major Emergencies of Anti-Money Laundering and Counter-Terrorist Financing*, the *Implementation Rules for the Measures for the Management of Money Laundering and Terrorist Financing Risk Assessment and Classification of Customers*, and the *Compliance Guidelines on Reporting of Anti-Money Laundering Suspicious Transaction* to further revise and improve the internal anti-money laundering control system and to standardize the anti-money laundering work requirements and division of responsibilities.

Management Actions

- We implemented and refined all business processes related to anti-money laundering, carried out the identification and assessment of money laundering risk, accurately identified customers, properly stored data, thoroughly analyzed and reported suspicious transactions, enhanced the anti-money laundering information research capacity, thus effectively controlling money laundering risks.
- We have established an anti-money laundering monitoring and management system to carry out systematic and process-oriented customer money laundering risk assessment and regular audits, ongoing due diligence, suspicious transaction monitoring and control list retrospective screening.
- We carried out inspections on anti-money laundering work, supervised the internal implementation of anti-money laundering laws, regulations and regulatory requirements, the effectiveness and implementation of internal control systems, and the management of money laundering risks, and improved relevant issues in a timely manner, so as to ensure the effective implementation of anti-money laundering work.

Training and Publicity

- We have established a long-term anti-money laundering training mechanism and conducted 70 anti-money laundering training sessions during the Reporting Period, covering more than 11,600 person-times.

During the Reporting Period, several branches of CICC Wealth Management achieved excellent results in the anti-money laundering regulatory classification and competition activities organized by the local branches of PBOC. CICC Futures was commended by the Xining Central Sub-branch of PBOC for its “proactive role in the construction of anti-money laundering financial intelligence projects in Qinghai Province, playing an active role in preventing and curbing money laundering and its upstream criminal activities, with remarkable results”.

• Supply chain management

In compliance with relevant national laws and regulations, CICC revised the Company's centralised procurement, supplier performance evaluation and other related systems during the Reporting Period, which were used to guide the Company in sourcing, supplier comparison and selection, and supplier management.

Regulating the procurement management process

- The Company collected and analysed data on various dimensions of supplier quality, delivery quality, cost, and service at different stages of the procurement lifecycle to manage suppliers, including supplier access, supplier grading, and supplier performance evaluation.
- We set strict access conditions in terms of company qualifications and professional capabilities, and strictly selected suppliers.
- We carried out annual assessment of suppliers' performances, and implemented the tiered supplier management based on assessment results.
- We strictly conducted the control, supervision and inspection of procurement risks, in order to prevent corruption and other violations that may occur in the procurement process and to ensure a fair, open and just procurement.

Practicing green procurement

- In the relevant management system of centralized procurement, the Company clearly stipulates that "priority shall be given to energy-saving and environmental protection products in centralized procurement", and has launched innovation projects for trial, taking the lead in obtaining carbon neutral certificate in such projects.

Training

- By conducting ESG training related to supply chains, all of our employees continued to share industry information on ESG, carbon neutrality, and sustainable development of supply chains, gradually enhancing their ability to identify ESG-related risks and opportunities and exploring the integration of ESG concepts into our procurement management framework and system.

Managing the environmental and social risks in the supply chain

- The Company attached great importance to the management of environmental and social risks in the supply chain, and gradually improved relevant management measures. We verify the social credit information of our suppliers in order to strengthen the management and control of social risks.



- Including the number of domestic suppliers (including Hong Kong, Macao and Taiwan) 974
- Number of overseas suppliers 264

Note: The above data are estimates

Anti-corruption measures for suppliers

- The Company encourages a healthy and sustainable competitive environment for external suppliers in its procurement activities and is committed to creating a compliant, efficient and transparent "sunshine procurement" platform. It clearly stipulated the possible risks of corruption in procurement in various systems and imposed strict restrictions on non-compliance in procurement activities. In order to standardize the disciplinary standards for suppliers' non-compliance and breach of trust, to prevent commercial bribery and corruption, and to strengthen the supervision and management of suppliers, the Company has established a supplier blacklist.



02

Embracing Green Development

CICC is committed to its original aspiration of “By the People and For the Nation”, and will work with our employees and a wider range of stakeholders to contribute to the country’s “dual carbon” goals and green development from the perspective of our own development and financial support.

Our Performance

Total GHG emission

19,187 tCO₂e,
and the per capita GHG emission
was 1.26 tCO₂e/person

Comprehensive energy consumption

27,540 MWH,
and the per capita comprehensive energy
consumption was 1.82 MWH/person

Total amount of non-hazardous waste generated

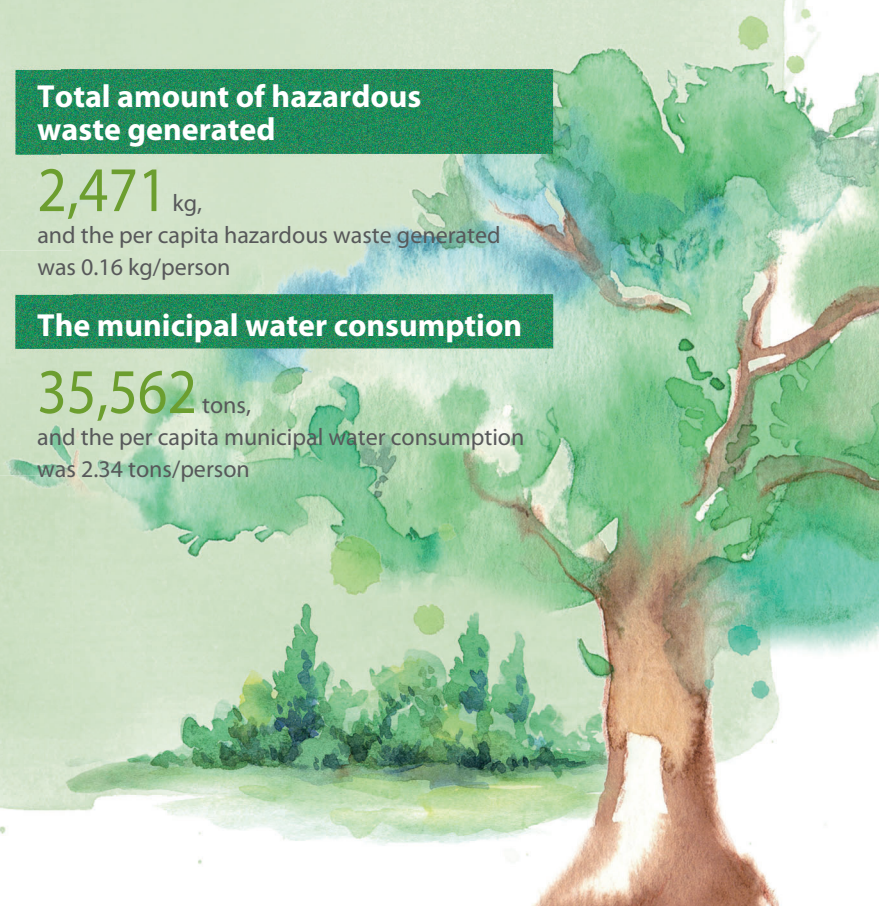
1,362 tons,
and the per capita non-hazardous
waste generated was 0.09 tons/person

Total amount of hazardous waste generated

2,471 kg,
and the per capita hazardous waste generated
was 0.16 kg/person

The municipal water consumption

35,562 tons,
and the per capita municipal water consumption
was 2.34 tons/person



02 Embracing Green Development

2.1 RESPONDING TO CLIMATE CHANGE

Under the influence of the energy crisis and other factors, China continued to adhere to its strategic determination to cope with climate change and took actions to lead the global climate governance, demonstrating the demeanor of a responsible and committed great power. The report to the 20th CPC National Congress also explicitly stated that China will actively and prudently work towards the goals of reaching “Carbon Peak and Carbon Neutrality”.

CICC has been actively responding to the national “Carbon Peak and Carbon Neutrality” strategy. Guided by policies and regulations such as the *Action Plan for Carbon Dioxide Peaking Before 2030* promulgated by the State Council, as well as industry guidelines, we have gradually built a comprehensive strategy to address climate change in the areas of governance, risk and compliance, product and service, and sustainable operations.

In terms of governance, during the Reporting Period, the Company revised the *Risk Management Policy of China International Capital Corporation Limited* to incorporate climate risk into the overall risk management system, and formulated and issued the *Climate Risk Management Policy of China International Capital Corporation Limited* to clarify the organizational structure of climate risk management and the division of responsibilities at various levels, forming a complete “three lines of defense” management system and establishing a whole process management mechanism for climate risk.

CICC’s Comprehensive Process Management Mechanism for Climate Risk



Identification	<ul style="list-style-type: none"> We will study and gradually establish a climate risk identification mechanism, continuously sort out the main climate risk scenarios, and proactively identify relevant climate risks in our daily operation and management activities.
Evaluation	<ul style="list-style-type: none"> We will study and gradually establish a climate risk assessment mechanism to assess known or predicted climate risk scenarios that may affect business operations and portfolio, and use them as a basis for strategic planning, business development and investment decisions.
Monitoring and Warning	<ul style="list-style-type: none"> We will study and gradually establish a climate risk monitoring mechanism, gradually establish quantitative and qualitative risk monitoring tools and indicators and monitor the Company's climate risk level and trend, to ensure that the risk monitoring process keeps pace with the latest development of climate change.
Scenario Analysis and Stress Testing	<ul style="list-style-type: none"> We will study and apply climate risk scenario analysis, consider possible future states (scenarios), and assess the potential exposure to physical risks and transformation risks and opportunities, and their possible impact on the Company's business and operation management. We will gradually establish a climate risk stress test mechanism to include the risks that the Company may be affected by climate change and formulate risk response strategies based on the stress test results.
Response	<ul style="list-style-type: none"> According to the nature of risk, the Company's risk appetite and risk tolerance, we will study and gradually adopt risk avoidance, risk transfer, risk reduction, risk acceptance and other corresponding prevention plans, and formulate risk response strategies.
Reporting	<ul style="list-style-type: none"> We will establish a climate risk information communication and reporting mechanism with each department, in accordance with its responsibilities, compiling, approving and submitting climate risk-related reports and external disclosure information in line with different reporting requirements from regulators, self-regulatory organizations, shareholders and management of the Company, to ensure that risks can be reported and responded to in a timely and effective manner.
Contingency Management	<ul style="list-style-type: none"> We will establish a climate risk contingency management mechanism and formulate emergency plans in accordance with the <i>Risk Event Response and Disposal Management Measures of China International Capital Corporation Limited</i> and <i>Risk Contingency Plan of China International Capital Corporation Limited</i> to clarify the risk mitigation measures to be taken under specific risk conditions and carry out emergency disposal work in a timely manner.

02 Embracing Green Development

In terms of risk and compliance, the Company continues to pay attention to the environmental risks involved in the course of business development. For example, we attach great importance to risk management in the “high pollution and high energy consumption” sectors (hereinafter referred to as “Two Highs”) and focus on whether the relevant investment and financing business involves “Two Highs” projects and the financial risk of green and low-carbon transformation in our daily business control. In 2022, the Company has initiated climate risk identification, laying the foundation for subsequent management of the whole process for climate risk.

In terms of sustainable operation, maximizing energy saving and emission reduction is our starting point for promoting green development. In 2022, the Company implemented a low-carbon approach in its operations and proactively explored new ideas for energy saving and emission reduction from green operations and green buildings.

Carbon Reduction Plans and Key Actions at the Operational Level

Green Operation



Low-carbon office

Carbon reduction plan: reducing carbon emissions by 30,000 tons per year through low-carbon offices by 2030.

Major actions:

- Shared office: The Company implemented the “Shared Office” on the 25th floor of the China World Office 2 in Beijing, reducing carbon emissions by 1,955.05 tCO₂e compared to traditional office space (one seat for one person). In the future, the Company plans to renovate and build 23,000 square meters of shared space in Beijing, Shanghai and Shenzhen. As of the end of the Reporting Period, the construction of the shared space of 19,000 square meters has been completed.

Low-carbon travel

Carbon emission reduction plan: reducing carbon emissions from aviation travel by 25% by 2030.

Major actions:

- Based on the display of carbon emissions of domestic flights and low-carbon flight logo on the employee side, the Company could record the carbon emissions of each domestic flight and calculate the carbon emission value per mile.
- We kept tracking the changes in the market and realized the display of the carbon emission reference value for the flights of some overseas employees.

Green power procurement

Carbon emission reduction plan: we expect to reduce carbon emissions by 27,000 tons by using green power by 2030.

Major actions:

- In line with relevant policies and developments of the green power market, we will gradually explore the feasibility of using power from renewable energy, and optimize our energy structure.

Green Building



Green building construction

CICC Building

- The construction was carried out in accordance with the LEED Gold Grade and Green Building Two-Star Level, and the building has been certified as a net-zero carbon building by the British Building Research Establishment (BRE).
- We plan to build a data base for carbon reduction efforts through the development of intelligent buildings and automated data collection for energy management.

Assembled construction

- In 2022, we completed two assembled building projects in Beijing and Shanghai and realized the cancellation of a total of 246 tons of Chinese Certified Emission Reduction (CCER) credits through the purchase of CCER credits, which were used to offset the carbon emissions generated during the life cycle of the renovation projects.



CICC's overseas wholly-owned subsidiary purchased high-quality carbon credits to offset the carbon emissions generated by the "CICC FICC Forum 2022", helping CICC achieve carbon neutrality for the first meeting.



Picture: CICC FICC Forum 2022

In addition, we focused on effective response to extreme weather such as heavy rain, snowstorm and typhoon in our own operation process and prevented and controlled the possible negative impact caused by unexpected incidents on top of our *Administrative Measures on Risk Event Response and Handling of China International Capital Corporation Limited* and *Risk Emergency Plan of China International Capital Corporation Limited*. In 2022, the Company issued three e-mail alerts to all employees of the Beijing and Shenzhen offices to advise them of possible business interruptions in the relevant offices based on extreme weather conditions. As of the end of the Reporting Period, the Company has not been affected by the extreme weather for the time being.

02 Embracing Green Development

2.2 PROMOTING GREEN OFFICE

CICC strictly complied with laws, regulations and policies, including the *Environmental Protection Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China* and the *Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes* and formulated institutional documents including the Office Environment Management Regulations to regulate energy consumption, water resources use and waste management, and made efforts to improve various environmental management standards to build a green operating environment. During the Reporting Period, the Company did not have any lawsuits or related penalties caused by environmental issues.

Energy resources used by the Company mainly consist of natural gas for operating facilities, gasoline for official vehicles, purchased electricity and purchased heat for heating. Our major emissions include greenhouse gases generated from energy consumption, air travel and paper use, and wastes such as office consumables, paper use and household waste.



Energy management Management goal: To further reduce major electricity consumption in existing office premises through energy-saving renovations, etc., with an estimated total reduction of approximately 10 million kWh of electricity by 2030.

Major actions:

- The new project featured LED energy-efficient luminaires and intelligent lighting control switches.
- In 2022, 2,700 square meters of office conventional lighting were replaced with LED lighting.

Water resource management Management goal: To improve water efficiency and achieve further reduction in per capita water consumption and gradually explore the establishment of quantitative targets for water consumption by cooperating with water facilities renovation, promoting awareness of water conservation and adopting water-saving appliances and prioritizing the use of recycled water in future self-constructed buildings.

Major actions:

- We publicized the water saving concept among employees via emails, slogans and other measures, and required employees to turn off taps in time and save water in daily work.
- In case of any failure of water devices, we timely reported it to and cooperated with the property manager for repair and maintenance to reduce the waste of water resources.



Waste management

Hazardous waste management goal: Continue to maintain disposal of hazardous waste such as waste toner cartridges, carbon powder and ribbons and gradually explore the development of quantitative targets for hazardous waste.

Major actions:

- We managed the waste toner cartridges, carbon powder and ribbons in a unified manner and hired a professional third party company to collect them on a monthly basis.
- The disposal and write-off of electronic waste was carried out in compliance with the electronic waste disposal process. During the Reporting Period, a total of 7,812¹ units of various types of electronic waste were disposed of.

Non-hazardous waste management goal: To achieve a further reduction in per capita non-hazardous waste and gradually explore the development of quantitative targets for non-hazardous waste through the practices including waste sorting, promotion of recycling, promotion of food conservation, insistence on paper conservation and paperless office.

Major actions:

- Paper management: We implemented online approval and reduced office paper.
- Reducing the use of plastic products: We replaced disposable tableware in pantries with biodegradable tableware; replaced all paper cups to biodegradable paper cups in Chinese mainland offices; reduced the purchase of new disposable cartons for transport and shredding, and implemented recyclable plastic boxes.
- Practicing waste sorting: All offices set up classified garbage bins in accordance with the waste sorting management policy.

¹ Electronic waste includes wasted microcomputers (host computers), monitors, notebooks, servers, printers and other wasted devices (such as hard drives, mice, keyboards, etc.). The survey covers the headquarters of CICC, Shanghai branch of CICC, Shenzhen branch of CICC, and China CICC Wealth Management Securities Company Limited and its subordinate branches and business offices.

02 Embracing Green Development

2.3 PRACTICING ENVIRONMENTAL CONCEPT

Each employee's environmental action affects the effectiveness of our sustainable operation. CICC continues to promote the concept of green, and guides employees to embrace green and low-carbon work and life through various activities. In 2022, the Company planned and implemented a series of activities under the "dual carbon" goal for our employees. We planned and launched special reports on our employees' environmental protection stories to strengthen their awareness of environmental protection through interaction, demonstration and advocacy, thus making environmental protection a guidance of employees' daily behaviours.



Picture: "Earth Hour" activity



Picture: "Protect the Environment and Build Ecological Civilization Together" environmental protection micro-video collection activity



Picture: "Dual Carbon" action for beautiful home art exhibition



Picture: "Work Together to Build a Clean and Beautiful World – June 5th Environment Day" calligraphy and painting works collection activity

2.4 EXPANDING GREEN IMPACT

We firmly grasped the opportunity of our own sustainable transformation and at the same time we deeply understood that green finance is an important link to help achieve the goal of carbon neutrality. With the strength of our research, CICC worked with all sectors to find the way to green development and build a carbon neutral industry ecosystem.



Green Talk

Promoting low-carbon development with researches

- Publication of research results: We published important works including *Economics of Carbon Neutrality*, which innovatively applies the concept of green premium to China and provides a systematic analysis system for the path of achieving "Carbon Peak and Carbon Neutrality" and its impact.
- Participation in the development of standards: We participated in the development of the group standard of *Forest Carbon Indicator Monitoring System under Satellite Earth Observation*; and participated in the development of the group standard of "Enterprise Operation and Product Carbon Neutrality" of Shanghai Environmental and Energy Exchange.

Green Consultation

Leading the industry in low-carbon action

- We served as a member of the first council of the Green Finance Committee of China Society for Finance and Banking.
- We were invited to join the "Carbon Neutral Action Alliance (碳中和行動聯盟)" and served as the first executive director.
- We organized many forums such as "Sustainable Development and ESG Investment Forum" and "Carbon Neutrality 2060".

Green Construction

Contributing to the construction of the national carbon emission permit market

- We have been approved to participate in proprietary carbon emission permit trading business in domestic exchanges as authorized.
- We jointly organized an online survey and research activity with the Policy Research Center for Environment and Economy under the Ministry of Ecology and Environment of the PRC on "Improving the Construction of National Carbon Market".
- CICC Commodity Trading Limited, a wholly-owned overseas subsidiary of the Company, became the first trading institution on the carbon trading platform of the Hong Kong Exchanges and Clearing Limited.

02 Embracing Green Development



Name of indicator	Unit of indicator	Figures in 2022
Gasoline consumption	Litre	20,224
Consumption of natural gas	M ³	17,787
Consumption of diesel	Litre	100
Consumption of purchased electricity	kWh	25,632,901
Consumption of purchased heat ²	GJ	5,476
Total GHG emissions ³	tCO ₂ e	19,187
Including (Scope 1) GHG emissions ³	tCO ₂ e	84
(Scope 2) GHG emissions ³	tCO ₂ e	14,628
(Scope 3) GHG emissions ³	tCO ₂ e	4,475
Per capita GHG emissions	tCO ₂ e/person	1.26
Consumption of comprehensive energy ⁴	MWH	27,540
Per capita consumption of comprehensive energy	MWH/person	1.82
Water consumption of municipal water supply	Ton	35,562
Per capita water consumption of municipal water supply	Tons/person	2.34
Total amount of non-hazardous waste generated ⁵	Ton	1,362
Per capita amount of non-hazardous waste generated	Tons/person	0.09
Total amount of hazardous waste generated ⁶	Kg	2,471
Per capita amount of hazardous waste generated	Kg/person	0.16

² The consumption of purchased heat for 2022 is calculated with reference to the *Energy and Water Statistical Report System (January 2023)* formulated by the National Bureau of Statistics and supplemented and printed by the Beijing Municipal Bureau of Statistics. The statistics cover the offices, branches and subsidiaries that paid heating charges to the heating suppliers.

³ Greenhouse gases mainly include carbon dioxide, methane, and nitrous oxide. With respect to the method for calculating GHG emissions, reference was made to *2006 IPCC Guidelines for National Greenhouse Gas Inventories (2019 Revision)* and the *Sixth Assessment Report* issued by the Intergovernmental Panel on Climate Change (IPCC). With respect to the grid emission factors used in the calculation of scope 2 emissions, the Chinese mainland factors refer to the *Guidance on Accounting Methods and Reporting of Corporate Greenhouse Gas Emissions on Power Generation Facilities* by the Department of Climate Change of the Ministry of Ecology and Environment, the Hong Kong factors refer to the 2021 Sustainability Report issued by China Power, and the Overseas factors refer to the *EIB Project Carbon Footprint Methodologies for the Assessment of Project GHG Emissions and Emission Variations (2023 Edition)*. The scope 3 mainly includes greenhouse gas emissions from air travel and office paper, and the factors used in its calculation refer to the *Emission Factors for Greenhouse Gas Inventories* (April 2022) under the U.S. EPA Climate Leaders GHG Inventory Protocol.

⁴ The data of standard coal converted from all energy sources is based on the *General Principles for the Calculation of Comprehensive Energy Consumption* (GB/T 2589-2020) and convert energy units to megawatt hours.

⁵ Non-hazardous waste includes office paper and domestic wastes, among which, the domestic wastes are calculated by reference to the *Handbook of Urban Domestic Source Production and Discharge Coefficient for the First National Pollution Source Census* issued by the State Council.

⁶ Hazardous wastes include used toner cartridges, carbon powder and ribbons, and are calculated based on the data set out in the ledger of the Company.

03



Commitment to Responsible Finance

Relying on its professional characteristics, CICC actively responds to the national development strategy, and takes the implementation of ESG requirements as the main task of the Company's sustainable development, contributing to the national sustainable development as a player in the financial industry.

Our Performance

Transaction amount of investment banking business-related green finance project

over RMB **700** billion

Aggregate issuance amount of onshore green bonds underwritten

approximately RMB **340** billion

Aggregate transaction amount of green finance-related equity project

over RMB **130** billion



03 Commitment to Responsible Finance

3.1 IMPLEMENTING THE “DUAL CARBON” POLICY FOR GREEN FINANCE

In order to implement the major decisions and arrangements of “Carbon Peak and Carbon Neutrality”, CICC has always taken the concept of green finance and sustainable finance as an important business strategy, thoroughly implemented the requirements of relevant policies, including the *Guidelines for Issuance of Green Bonds* (《綠色債券發行指引》), the *Guiding Opinions on Building a Green Financial System* (《關於構建綠色金融體系的指導意見》), the *Guiding Opinions on Promoting the Investment and Financing in Response to Climate Change* (《關於促進應對氣候變化投融資的指導意見》) and the *Green Bond Principles of China* (《中國綠色債券原則》), vigorously developed green and sustainable investment and financing products and services, and promoted the high-quality development of sustainable finance in all aspects.

CICC practiced the concept of green finance development through multiple measures including equity, bond and M&A business. In 2022, the Company completed related projects involving transaction amount of more than RMB700 billion, including the IPO of Tianqi Lithium on the main board of HKEX, the A-share

non-public offering of Daqo Energy, the IPO of NIO INC. by means of introduction in Hong Kong, the A-share non-public offering of SERES, the “carbon neutrality” + “rural revitalization” corporate bonds of CECEP Solar Energy, financial leasing ABS of XPeng Inc., and multi-currency green bond projects of several overseas branches of ICBC. In terms of bonds business, CICC underwrote onshore green bonds with an aggregate amount of approximately RMB340 billion, ranking first in the market. In terms of equity business, CICC assisted enterprises in implementing green strategies in financing, completing 25 equity-related projects with a transaction amount of over RMB130 billion.

• Green Bonds

During the Reporting Period, the Company issued a variety of green bonds and carbon neutrality bonds as the underwriter, covering green corporate bonds, commercial papers, financial bonds, medium-term notes, asset-backed securities and local government green bonds, providing a wide range of underwriting services to central state-owned enterprises, local state-owned enterprises, state-owned large commercial banks, policy banks and local governments.



Major Green Bonds Underwritten by CICC in 2022

January 19	–	China Development Bank successfully issued green financial bonds on “Low-Carbon Transportation System Construction” under the Bond Connect with an amount of RMB15 billion, which was the first policy bank green financial bond in 2022, supporting China Development Bank to promote low carbon transformation in the transportation sector.
February 23	–	CECEP Solar Energy Co., Ltd. successfully issued the “carbon neutrality” + “rural revitalization” public corporate bonds with an amount of RMB1 billion in the form of bookbuilding.
March 16	–	As the main underwriter, CICC assisted the Export-Import Bank of China in the further issuance of the first green bonds of 2021 , winning the bid of RMB300 million and ranking first among securities companies in underwriting scale, cultivating the market concept of green value investment and promoting the allocation of financial resources to the green bond market.
March 30	–	China Development Bank issued the green financial bonds under the Bond Connect with an amount of RMB12 billion under the theme of “clean energy equipment manufacturing”.
May 11	–	China Merchants Bank issued the first “Rural Revitalization” green financial bond in China .
May 19	–	China Huaneng successfully issued RMB2 billion renewable corporate bonds, which is the first on the exchange .
May 23	–	China Construction Bank 2022 Green Financial Bond (Phase I) was successfully issued with an amount of RMB10 billion, which is the first sustainable development-linked financial bond in China .



Major Green Bonds Underwritten by CICC in 2022

May 24	–	ICBC successfully issued multi-currency offshore senior green bonds, all of which were rated A1 by Moody's , and the final issuance scale was equivalent to US\$2.68 billion.
May 26	–	Agricultural Development Bank of China successfully issued its first green financial bond in 2022 , with an amount of RMB3 billion. The funds raised from the bond will mainly be used to support loans for projects such as national reserve forests, high-standard farmland, clean energy and pollution prevention.
June 8	–	ICBC successfully issued the first green bond of 2022 with an amount of RMB10 billion, which is the first green financial bond issued in line with the China-Europe Common Ground Taxonomy and the first carbon neutrality green financial bond of a commercial bank .
July 4	–	Huaneng Tiancheng Financial Leasing Co., Ltd. successfully issued the 2022 Carbon Neutrality Green Corporate Bond (Phase II) (Private Economic Development Support Bond) with a total amount of RMB500 million, which is the first bond to support the development of private economy in the market .
July 27	–	China Development Bank successfully issued a special "Bond Connect" green financial bonds on "Yangtze River Basin Ecosystem Protection and Restoration", with an amount of RMB12 billion. The funds raised from the bond will mainly be used to support green industry projects such as water pollution treatment, integrated agricultural and rural management, and water resources conservation.
August 24	–	Export-Import Bank of China successfully issued the first policy bank green financial bond in the market under the framework of the <i>Green Bond Principles</i> of China, with an amount of RMB2 billion. The funds raised from the bond will be specifically used for the clean energy sector.
October 13	–	China Development Bank issued the third tranche of "Bond Connect" green financial bonds in 2022 with priority use of the funds raised for "infrastructure green upgrade" projects such as urban environmental infrastructure and construction and operation of urban and rural public transportation systems.

03 Commitment to Responsible Finance

Case: CICC helped ICBC in successfully issuing multi-currency overseas senior green bonds

On May 24, 2022, various branches of Industrial and Commercial Bank of China Limited ("ICBC", Moody's A1/ S&P A/Fitch A) successfully issued global multi-currency dominated "Carbon Neutrality" offshore green bonds and the bonds all rated Moody's A1. CICC participated in all five issuances and acted as joint bookrunner and joint lead manager. The green bonds have been certified as a "Carbon Neutrality" Green Finance Bond by Beijing Zhong Cai Green Finance Consulting Co., Ltd. (北京中

財綠融諮詢有限公司) and a "Carbon Neutrality" Green and Sustainable Finance Scheme by Hong Kong Quality Assurance Agency (HKQAA). The funds raised were used to finance and/or refinance eligible green assets as defined in the ICBC Green Bond framework, focusing on low-carbon areas and specifically on green projects with significant carbon emission reduction effects such as green transportation and renewable energy.

Case: Huaneng Tiancheng Financial Leasing Co., Ltd. successfully issued the first carbon neutrality bonds to support the development of the private economy

On July 4, 2022, Huaneng Tiancheng Financial Leasing Co., Ltd. successfully issued the 2022 Carbon Neutrality Green Corporate Bond (Phase II) (Private Economic Development Support Bond) on the SSE. CICC acted as the lead underwriter for this bond issuance, which is the first carbon neutrality bonds to support the development of private economy in the market, with an issuance amount of RMB500 million and a maturity of 2 years, a final coupon rate of 2.80% and a full market multiple of 3.7 times. The proceeds were used for lease payments to private photovoltaic and wind power enterprises, which have better emission reduction benefits.



Picture: China Merchants Bank issued the first "Rural Revitalization" green financial bond



Picture: Huaneng Group issued the first low carbon transformation-linked bond on the stock exchange



Picture: China Construction Bank issued the first sustainable development-linked financial bond

• Green Funds

CICC is establishing a number of green funds and expanding our investment in green industries such as new energy, new materials and new technologies, comprehensively promoting the construction of low-carbon economy and society.

03

Case: Shandong Green Development Fund: China's first green fund established at the provincial level with sovereign loan from international financial organizations, forming an innovative complete green system framework by the team

With carbon emission reduction as its core goal, the Fund focused on investment opportunities in various areas, including clean energy structural transformation, efficient use of energy, green transportation, green smart cities, and integrated technology, industry and local resources to support green development and industrial upgrading. The green system framework constructed by the team includes the pre-audit of the invested projects according to the Environmental and Social Management System

(ESMS) established by ADB and the green assessment system based on Green Climate Fund (GCF), and the supervision and management of the implementation of carbon reduction targets by the Fund and invested enterprises with MERV (monitoring, evaluation, reporting and verification) management process. The framework is in line with the international green evaluation standards and has been applied in the actual operation of the first investment project of the Fund.

Case: CICC-GCL Carbon Neutrality Industry Investment Fund

In March 2022, CICC-GCL Carbon Neutrality Industry Investment Fund, the first large-scale industrial fund with the theme of "carbon neutrality" co-established by CICC Capital and GCL Energy Technology, a leading company in the photovoltaic industry, was officially launched with a management scale of RMB4.5 billion. The fund completed its initial fund raising and filing in the first half of 2022,

with a scale of RMB2.5 billion. The fund will make full use of GCL's industrial resources in the green industry and the professional investment capacity of CICC Capital, focusing on the mobile energy industry chain and upstream and downstream technologies to serve the development of green and low-carbon industries.

03 Commitment to Responsible Finance

• ESG-related Mutual Funds

CICC seized the investment opportunities in the ESG market and actively deploys ESG mutual funds to provide more choices for investors in the secondary market and promote the long-term and effective development of sustainable finance.



March 2022	–	CICC successfully listed CICC Carbon Futures ETF on the Hong Kong Stock Exchange, which is the first carbon credit ETF in Greater China . The Company invested in the most representative and active ICE EUA futures contracts in European carbon emission allowances by tracking the ICE EUA Carbon Futures Index.
July 2022	–	CICC HK AM and Eastspring Investments jointly established the China Sustainable US Dollar Bond UCITS Fund , which invests mainly in US dollar-denominated Chinese bonds that comply with ESG principles, including green, social and sustainable bonds. CICC HK AM's investment system for the market of USD bond of PRC-based companies includes multi-dimensional credit screening, diversified investment strategies and multi-level risk control.
September 2022	–	Actively responding to national strategy and practicing sustainable investment philosophy, CICC Fund established CICC CSI 500 ESG Index Enhanced Fund , which is an important part of CICC Fund's ESG product layout.

• Green Innovative Products

CICC has been actively promoting green product innovation, exploring deeply in multiple business segments and leading the financial market to provide diversified products to serve the low-carbon development strategy.

03

Case: First green bond derivatives transaction in the market with bonds under custody in Shanghai Clearing House Bonds as collateral

CICC and products under Mingyi Fund Management Co., Ltd. (明毅私募基金管理有限公司) completed the first credit protection instrument transaction of linked green bonds under the framework of using Shanghai Clearing House's custodian bonds as performance protection collateral. The Shanghai Clearing House provided

collateral management and clearing services on a case-by-case basis for this transaction. As a leading green financial services provider and credit derivatives trader in the industry, CICC has developed credit derivatives trading through green bonds to build green bonds as a core asset that meets the needs of global bond investors.



Date	Green FICC product innovation
January 2022	Completion of the first OTC derivative hedging transactions of Chinese securities companies on carbon credits on behalf of customers
May 2022	Issuance of the first credit risk mitigation certificates linked with green ABN
June 2022	Completion of the first beneficiary certificates transactions of green asset-backed note (ABN) linked with "carbon neutrality"
August 2022	Successful issuance of CICC's first beneficiary certificates linked with green REITs
September 2022	Completion of the first carbon offset iron ore cargo transaction in China's iron and steel industry with Rio Tinto and Nanjing Iron & Steel, marking an innovation and breakthrough for the three parties in the field of carbon offset for raw materials in the iron and steel industry
October 2022	Completion of the first beneficiary certificates linked with a package of ecological environmental REITs

03 Commitment to Responsible Finance

3.2 INFLUENTIAL FINANCE FOR THE COMMUNITY

CICC continued to implement the spirit of the policy documents including the *Law of the People's Republic of China on the Promotion of Revitalization of Rural Areas* (《中華人民共和國鄉村振興促進法》), the *Opinions of the Central Committee of the Communist Party of China and the State Council on the Implementation of the Rural Revitalization Strategy* (《中共中央、國務院關於實施鄉村振興戰略的意見》), the *Guiding Opinions on Financial Services for Rural Revitalization* (《關於金融服務鄉村振興的指導意見》), the *Opinions on the Key Work of Financial Support for the Comprehensive Promotion of Rural Revitalization in 2022* (《關於做好2022年金融支持全面推進鄉村振興重點工作的意見》), the *Notice on Further Strengthening Financial Support for the Development of Small and Micro Enterprises in 2022 of the CBIRC Office* (《中國銀保監會辦公廳關於2022年進一步強化金融支援小微企業發展工作的通知》). We continued to develop influential finance to serve for the prosperity of the country and promote economic development and social progress by supporting national and local construction financing, small and medium-sized enterprises in lack of funds, rural revitalization and livelihood construction.

- **Supporting national and local construction financing**

As an industry leader, CICC actively served the national and local governments and served national strategies to promote steady economic growth with financial support.

During the Reporting Period, the Company completed a number of milestone transactions, including participating in the issuance of offshore sovereign bonds as the only Chinese investment bank for six consecutive years, assisting the Ministry of Finance in issuing RMB3 billion offshore lotus bonds, assisting the People's Government of Hainan Province in issuing RMB5 billion offshore sustainable and blue bonds, assisting the People's Government of Shenzhen in issuing RMB5 billion offshore green and blue bonds, and a number of Shanghai FTZ bonds.

- **Supporting small, medium and micro enterprises and private enterprises in lack of funds**

Small, medium and micro enterprises and private enterprises are key drivers for the steady growth of the national economy. The Company actively responded to the national call and helped small, medium and micro enterprises and private enterprises to make financing less difficult and less expensive through a variety of financing services and tools.

During the Reporting Period, CICC helped small, medium and micro enterprises raise funds over RMB240 billion. CICC completed projects such as the IPO of Tianma New Material on the Beijing Stock Exchange, the private placement of Shining 3D on the NEEQ, the ABS of Huaneng Trust Meirun Series and the special financial bonds of CZBank for small and micro enterprises. CICC Capital completed more than 84 direct investments in small, medium and micro enterprises with an accumulated investment amount of RMB4.3 billion, including a number of companies in series A funding, such as StarMab BioMed (燦星生物), CytoNiche Biotechnology (華龕生物), Dunen Medical (盾恩醫學), Winkey Biology (維琪生物), PTOT (白金科技), Golden Precision (鑫鑫精密), GCL System Integration, Heli Lian and Energy Regeneration (動力再生).

Case: People's Government of Hainan Province successfully issued RMB5 billion offshore local government bonds

On October 26, 2022, CICC, as joint global coordinator, joint lead underwriter, joint bookrunner and joint sustainable development structuring advisor, assisted the People's Government of Hainan Province to successfully issue RMB5 billion offshore local government bonds. The bonds are certified by the Hong Kong Quality Assurance Agency as blue and sustainable category and the raised funds will be used for eligible projects classified as blue, green and social responsibility under the Green, Social Responsibility, Blue and Sustainability Bond Framework.

This was the first time for Hainan Provincial Government to participate in the trading in the international capital markets and also the first issuance of blue and sustainable bonds by the local government in PRC, which fully demonstrated the sustainable development concept of Hainan's ecological priority to international investors, and was conducive to helping the investors in international market deeply understand the development achievements and future plans of Hainan Free Trade Port, expanded the international reputation and influence of Hainan Province and also set a new benchmark for local government to raised overseas financing at the same time.

Case: CICC Capital completed the raising of 8 related funds

In 2022, focusing on serving inclusive finance, supporting financing for small, medium and micro enterprises and supporting common prosperity, CICC Capital completed the fundraising of 8 funds with a total amount of RMB13.7 billion, including the Southeast Henan Province Master

Fund (豫東南主基金), the CICC-ZJU Holding Chuanzhi Fund (中金浙控傳智), the CICC Tongfu Consumption Fund (中金同富消費基金) and the CICC-Lesso Fund (中金聯塑基金).

Case: CICC Genesis and other FoFs supported micro and small enterprises

FoFs under the management of CICC Capital including CICC Genesis, Beijing Science & Technology Innovation, and Henan Zhanxin Industry Investment Fund (河南省戰新產業投資基金) supported the direct financing of small, medium and micro enterprises through prudent and targeted investments. As the largest national FoF for entrepreneurship and innovation, CICC Genesis under CICC Capital has invested more than 84% of its capital in early- to mid-stage and start-up innovative enterprises that meet the "522" requirements (i.e., no more than 500 employees, no more than RMB200 million in annual sales, and no more than RMB200 million in

total assets), achieving more than 60% of the policy target and greatly promoting the development of micro and small enterprises that use special and sophisticated technologies to produce novel and unique products. Most of the companies that CICC Genesis indirectly invested in through its sub-funds are newly established companies. As of November 2022, there were 2,240 enterprises established after 2015 among the invested projects, accounting for 71% of the total number of invested projects, and the aggregate investment amount of which was RMB46.5 billion, accounting for 62% of the total investment amount.

Case: CICC Capital provided comprehensive support for SMEs

CICC Capital helped Star Charge (星星充電) sort out IPO-related issues and rectification plans, and at the same time connected with industry and government resources to help the company further develop its business

market. CICC Capital arranged government resources and subsequent financing for Youwei Technology, and was received government funding and supporting policy support from Changde and Yichang respectively in 2022.

Case: CICC launched the "Special Support Plan for the Development of Enterprises that Use Special and Sophisticated Technologies to Produce Novel and Unique Products"

CICC has built the first integrated service platform of securities firms for SMEs that use special and sophisticated technologies to produce novel and unique products – "CICC Torch" Cloud Platform ("中金火炬"雲平臺) and APP. The CICC Torch Cloud Platform was launched in July this year, realizing the pioneering innovation from scratch. It is an important implementation vehicle for CICC to serve the development of innovative enterprises and enterprises that use special and sophisticated technologies to produce novel and unique products, and also an important attempt for CICC to explore technology-enabled and inclusive investment banking services. With the initial goal of serving the technological self-reliance of China, CICC Torch is committed to providing high-quality and efficient financial services to enterprises that use special and sophisticated technologies to produce novel and unique products, and proactively matching the national strategic and forward-looking business development plans.

Relying on the CICC Torch Cloud Platform, CICC coordinated various departments of the Company and joined hands with external partners to cooperate with government agencies, industry platforms, commercial banks, investment institutions, strategic industry clients and intermediaries, etc. to fully utilize the synergy of resources and jointly assist the growth and development of enterprises that use special and sophisticated technologies to produce novel and unique products. At the same time, based on the big data portraits capability at enterprise level coupled with CICC Research and external experts, CICC Torch Cloud Platform precisely distributes information to and connects enterprises that use special and sophisticated technologies to produce novel and unique products through business opportunity tags, realizing precise matching of traffic with services and products, with a view to create a model case in providing comprehensive services for SMEs that use special and sophisticated technologies to produce novel and unique products.

03 Commitment to Responsible Finance

• Supporting rural revitalization and people's livelihood development

In response to the call and deployment of the Central Government, the Company gave full play to the advantages of the industry, assisted the economic construction and development of rural areas, and contributed to the great rejuvenation of the Chinese nation. During the Reporting Period, CICC completed rural revitalization-related projects with a financing amount of over RMB45 billion.



IPO of HUITONGDA in Hong Kong	Gansu Provincial Highway Aviation Tourism Investment Group (甘肅公航旅) offshore USD Bonds
IPO of Hongjiu Fruits in Hong Kong	Special financial bonds on "Three Rural Issues" of Bank of Jiangsu
Non-public offering of A shares of CNGR	Guizhou Water Investment Water Affairs Group rural revitalization corporate bonds

In addition, CICC shouldered its corporate social responsibility, paid attention to the development of livelihood industries and fully supported the construction of people's livelihood.

Case: CICC completed the first domestic OTC derivatives transaction linked to the theme of stabilization of production and security in supply regarding the "Vegetable Basket"

On April 27, 2022, CICC and CITIC Bank successfully concluded the first domestic OTC derivatives transaction linked to the theme of stabilisation of production and security in supply, which was an implementation of CICC's outstanding derivatives trading and financial innovation ability to support stabilisation of production and security in supply. The underlying of the transaction was the financial bonds on the theme of stabilisation of production and security in supply regarding the "Vegetable Basket" of Agricultural Development Bank of China. The successful implementation of the business would help enhance its market liquidity and trading activity, and further

enrich interest rate derivatives varieties. On April 20, the standing committee of the State Council held a meeting and pointed out that the "Vegetable Basket" should be well supported, and efforts shall be made to ensure the smooth flow of vegetables and other agricultural products to ensure a good harvest and a stable supply of important agricultural products. In response to the arrangements of the meeting, CICC continued to explore the demand for spot bonds and derivatives trading of thematic bonds and launched OTC interest rate derivatives with new targets to provide more investment options for market participants.

Case: Focusing on national strategies such as rural revitalization, CICC Capital made in-depth deployments in the three northeastern provinces of China

CICC Capital set up CICC Keyuan Jilin Rural Revitalization Industry Investment Fund with a subscription scale of RMB1.5 billion, in conjunction with three-level capital platforms of Jingyue district, Changchun city, and Jilin province. CICC Capital is actively pushing for the implementation of this fund. The fund focuses on new economic sectors such as rural revitalization, smart agriculture and cultural tourism in Jilin, with investment

stages covering early, growth and mid-late stage investment opportunities. The fund contributes to national strategies such as northeast revitalization and rural fund development, actively supports industrial upgrading and economic development in urban areas of Jilin Province, cultivates the real economy, further enhances the influence of national advantageous industries, and helps the rapid development of rural revitalization industries.

3.3 ESG INVESTMENT

As the concept of sustainability has gradually become well known and recognized by the domestic and international capital markets, CICC actively responded to the development trend both domestically and internationally by developing ESG investment business. In July 2022, CICC, as an asset manager, signed the “Principles for Responsible Investment of the United Nations” (UNPRI) and complied with the statements in “Six Principles”.

- **ESG investment system and infrastructure development**

In order to implement the spirit of the report to the 20th CPC National Congress, CICC Asset Management (中金資管) segment built a comprehensive ESG responsible investment framework through the support of professional third parties and formulated a series of internal regulations and systems. During the Reporting Period, CICC Asset Management, CICC HK AM and CICC Fund Management established the Responsible Investment Committee. CICC Asset Management formulated the *Responsible Investment Policy* (《責任投資政策》) and the *Responsible Investment Manual* (《責任投資手冊》). In addition, CICC Asset Management issued the *Disclosure Statement on Responsible Investment and Climate Related Risk Management* (《責任投資與氣候相關風險管理披露聲明》) on the official website to incorporate climate related risks into the investment management, risk supervision and information disclosure process.

By conducting ESMS and green assessment before investing in private equity investments, Shandong Green Development Fund under CICC only supported projects that meet the corresponding standards and transmitted the monitoring and improvement requirements of ESMS and carbon verification to the invested enterprises through the investment agreement. It carried out regular monitoring and verification of ESMS and carbon emission reduction after investment.

In order to enhance the ESG investment practices, a number of investment teams of CICC were equipped with professional investment talents to conduct research on ESG investment strategies and product solutions and in-depth research on ESG development trends and material issues. For example, the private equity investment segment was equipped with four ESG investment professionals to meet the market demand with high precision professional services.

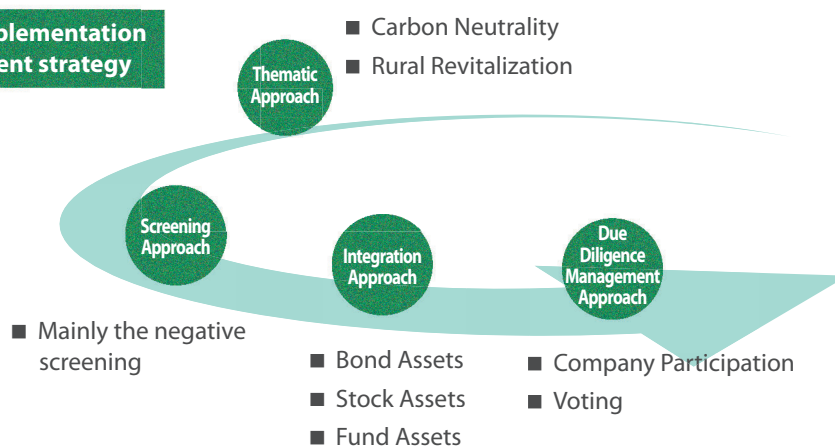
03 Commitment to Responsible Finance

• ESG investment strategy construction

In accordance with the initiative of Principles for Responsible Investment of the United Nations, CICC Asset Management adopted four approaches, namely ESG integration, thematic approach, screening approach and due diligence management approach (if applicable), to implement responsible investment work, while incorporating its own internal conditions for gradual implementation. The asset classes cover equity assets, fixed income assets and fund assets.

The Company continued to build multiple types of ESG investment strategies by offering ESG products and services in multi-level. For example, we put forward ESG weight allocation, ESG index enhancement strategies, CICC Rural Revitalization Stock Index, etc. for the equities business; ESG bonds index, carbon neutrality bond index, rural revitalization bond index, etc. for the bonds business and ESG fixed income + investment strategy for the FICC business. We launched CICC Carbon Futures ETF, etc. for carbon futures products business to meet ESG investment needs of different investors.

Progressive implementation of ESG investment strategy



• ESG Rating System

To realize the principle of long-term investment, CICC explored the construction of ESG evaluation system, procured data from data suppliers and established ESG evaluation model, which includes total ESG score, three pillars of environmental, social responsibility and corporate governance scores and 10 thematic scores. CICC independently developed and constructed an ESG rating system in line with the investment philosophy of buy-side institutions – the ESG Rating Framework, which took into full account the major national policies such as green, carbon neutrality, rural revitalization and common prosperity, and comprehensively summarized the ESG quality of more than 5,000 bond issuers in the country. In the future, CICC will gradually take into account ESG scores for bond investment decisions based on traditional credit risk and investment income considerations.



• ESG Investment Training

CICC invited external organizations to conduct business training with a view to enhancing employees' understanding of ESG investment.

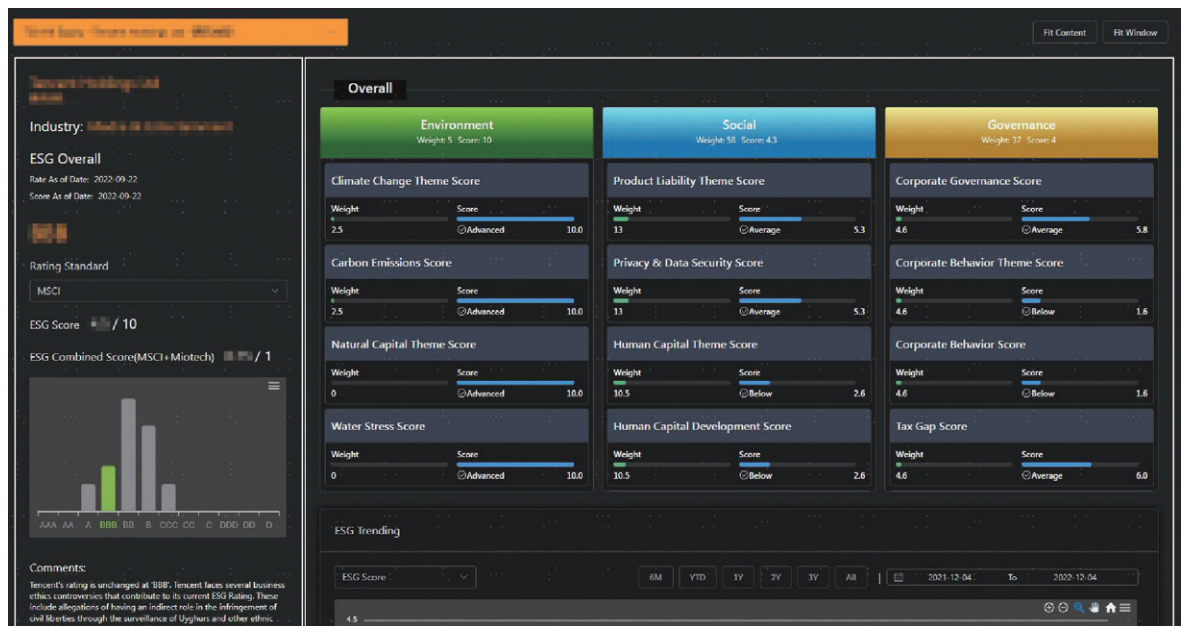


- On April 16, 2022, Asian Development Bank (ADB) was invited to conduct social impact training for CICC Capital Shandong Green Development Fund.
- On June 10, 2022, CICC and Shanghai National Accounting Institute successfully held a public live stream on "Carbon Neutrality and ESG Development". The course covered a number of hot topics including ESG financing and green bond development, domestic and international carbon markets and voluntary carbon offset mechanisms.
- On June 14, 2022, CICC ESG office arranged a basic ESG training by Deloitte with the theme of "Corporate ESG Practices in the Context of Carbon Neutrality", which specifically covered the background of carbon neutrality, ESG regulatory requirements, capital market development trends, and corporate events.
- On July 8, 2022, environmental and social experts from the Asian Development Bank (ADB) were invited to conduct a training session on ADB's security policy for the CICC Capital Shandong Green Development Fund, which was applicable to all projects using ADB funds.
- On August 5, 2022, Deloitte was invited to conduct a training session for CICC Capital, including systematic introduction to ESG investment systems and international and domestic best practices.

03 Commitment to Responsible Finance

• ESG Systems

We developed our own in-house ESG investment analysis and management system – CHAMPs, which is compatible with various asset classes such as stocks, bonds and commodities. Through ESG data screening and integration, the system provides investment managers and researchers with reference to make investment decisions, while the risk control and middle and back office teams can monitor the ESG score status of each portfolio in real time through the system, realizing efficient linkage between front, middle and back office. In order to meet the disclosure and management requirements of the Hong Kong Securities and Futures Commission on climate related risks, the Company further developed the climate related risk monitoring function in the ESG module of CHAMPs, covering climate related risk stress test and portfolio Scope 1 and Scope 2 greenhouse gas emission carbon footprint and other related information to facilitate investment managers to understand the climate related risks of the portfolio in a timely manner.



Picture: Overall ESG Scores



Picture: Portfolio ESG Scores

Scenario	Climate VaR Contribution	Monetary Risk Contribution	Coverage	Benchmark Climate VaR	Benchmark Monetary Risk	Benchmark Coverage
Low Carbon Transition Risk Sc...	-6.32%	-6.32 mUSD		-6.29%	-6.29 mUSD	
Policy Risk Direct Emissions (Sc...	-2.15%	-2.15 mUSD	98.71%	-3.47%	-3.47 mUSD	100.0%
Policy Risk Electricity Use (Scop...	-2.6%	-2.6 mUSD	98.71%	-1.81%	-1.81 mUSD	100.0%
Policy Risk Value Chain (Scope 3)	-2.4%	-2.4 mUSD	100.0%	-2.07%	-2.07 mUSD	100.0%
Technology Opportunities	0.84%	0.84 mUSD	99.32%	1.07%	1.07 mUSD	100.0%
Physical Climate Scenarios	-26.19%	-26.19 mUSD	96.37%	-21.69%	-21.69 mUSD	96.96%
Extreme Cold	0.91%	0.91 mUSD	96.37%	0.72%	0.72 mUSD	96.96%
Extreme Heat	-13.7%	-13.7 mUSD	96.37%	-11.6%	-11.6 mUSD	96.96%
Precipitation	0.51%	0.51 mUSD	96.37%	0.12%	0.12 mUSD	96.96%
Extreme Snowfall	-0.0%	-0.0 mUSD	96.37%	-0.0%	-0.0 mUSD	96.96%
Extreme Wind	-0.01%	-0.01 mUSD	96.37%	-0.05%	-0.05 mUSD	96.96%
Coastal Flooding	-15.69%	-15.69 mUSD	96.37%	-11.75%	-11.75 mUSD	96.96%
Fluvial Flooding	-0.9%	-0.9 mUSD	96.37%	-0.85%	-0.85 mUSD	96.96%
Tropical Cyclones	-2.19%	-2.19 mUSD	96.37%	-0.59%	-0.59 mUSD	96.96%
River Low Flow	-0.84%	-0.84 mUSD	2.06%	-1.08%	-1.08 mUSD	1.11%
Wildfire	-0.02%	-0.02 mUSD	96.37%	-0.01%	-0.01 mUSD	96.96%
Aggregated Climate VaR	-32.51%	-32.51 mUSD		-27.97%	-27.97 mUSD	

Picture: Climate Stress Test

03 Commitment to Responsible Finance

Metric	Scope	Portfolio	Coverage	Benchmark Portfolio	Benchmark Coverage
Financed Carbon Emissions	Scope 1+2	59.8	100.0%	83.6	100.0%
Financed Carbon Emissions	Scope3 - upstream	83.1	100.0%	90.9	100.0%
Financed Carbon Emissions	Scope3 - downstream	428.3	100.0%	214.5	100.0%
Total Financed Carbon Emissions	Scope 1+2	59812.0	100.0%	83615.6	100.0%
Total Financed Carbon Emissions	Scope3 - upstream	83078.8	100.0%	90858.6	100.0%
Total Financed Carbon Emissions	Scope3 - downstream	428262.1	100.0%	214524.9	100.0%
Financed Carbon Intensity	Scope 1+2	159.3	100.0%	239.7	100.0%
Financed Carbon Intensity	Scope3 - upstream	196.4	100.0%	241.5	100.0%
Financed Carbon Intensity	Scope3 - downstream	1012.4	100.0%	570.1	100.0%
Corporate Constituents	Scope 1+2	123.9	100.0%	182.8	100.0%
Corporate Constituents	Scope3 - upstream	202.0	100.0%	225.3	100.0%
Corporate Constituents	Scope3 - downstream	607.7	100.0%	363.7	100.0%

Picture: Greenhouse Gas Emission Carbon Footprint

3.4 CONSOLIDATING THE THEORY OF RESPONSIBILITY

While investing in the development of sustainable finance business, CICC also actively conducted research and proof to consolidate our theoretical foundation, and carried out extensive exchanges and cooperation with our partners to enhance the awareness of green finance and green development among all walks of society and to jointly promote the healthy development of the green finance industry.

- Research and intelligence support**

During the Reporting Period, the Research Department of CICC and CICC Global Institute (CGI) formulated the *ESG Handbook* of CICC, which systematically analyzed the development and practice of ESG at home and abroad with the efforts by three key research teams of CICC and research teams from more than 20 industries. The first volume of the book discusses the meaning of ESG, and provides a thorough analysis for various economic entities around the "value chain" of ESG. The second volume sets out the CICC ESG rating system by taking A-share listed companies as samples and provides a detailed analysis of ESG trends, material ESG issues and ESG rating results in 11 industries.

Meanwhile, *"Carbon" Policies in China* (《「碳」策中國》) published by CICC reported the development of domestic and foreign policies, practices of industries and enterprises in relation to "Carbon Peak and Carbon Neutrality", sustainable finance and ESG development, and latest information of technology and climate and other aspects biweekly, which provided reference for investors to follow the latest trends under the theme of "Carbon Peak and Carbon Neutrality", seize investment opportunities and avoid related risks.

The *Study for the Service of Securities Industry (Financial Industry) to Achieve the Goal of Carbon Neutrality and Carbon Peak* (《證券業(金融業)服務實現「碳中和碳達峰」目標研究》) declared by CICC was selected as one of the excellent research projects under the key projects of "High-quality Development of China's Capital Market and Securities Industry under the New Development Pattern" organized by Securities Association of China. The study mainly combines the advanced development experience of green finance in European Union and Japan, and proposes to clarify the details of systems including green finance in the *Securities Law of the PRC* to strengthen the construction of the "hard law" and "soft law" of green securities system with the top-down approach. The study proposes to enhance the leading role of the Securities Association of China and formulate an internal path of net-zero carbon emissions in the securities industry, thus providing all-round services and realizing the goal of "Carbon Peak and Carbon Neutrality" in China.

In addition, on February 19, 2022, CICC and Green Finance Committee jointly organized and completed the translation of the Chinese version of the *Common Ground Taxonomy*. The *Common Ground Taxonomy* reflects key highlights in both China's and EU green taxonomies. It is expected to support China-EU green finance cooperation and mobilize cross-border climate financing by lowering the green certification cost for cross-border transactions.

• **Participating in association activities**

CICC has applied to join the Green Finance Committee of the China Society for Finance and Banking in 2017, and currently is a director of the first session of the council. We have maintained close cooperation with financial institutions, enterprises, scientific research institutions, think tanks, and relevant industry associations.

In June 2020, CICC, as a founding member, launched the Developer Alliance of Yangtze River Delta Eco-Green Integration Development Demonstration Zone together with China Three Gorges Corporation, Alibaba, Huawei and other 11 renowned enterprises and universities, with an aim to jointly explore the construction of regional green ecology.

On September 27, 2021, CICC was invited to participate in the Carbon Neutrality Action Alliance initiated by the Shanghai Environment and Energy Exchange, and was elected as a member of the first session of supervisors committee. As a member of the first session of supervisors committee, CICC will continue to maintain close relationship with the trading entities of the Shanghai Environment and Energy Exchange and member companies of the Alliance, explore cooperation opportunities and connect the upstream and downstream of the industrial chain, so as to create a carbon neutrality ecosystem and support the realization of the "Carbon Peak and Carbon Neutrality" strategy.

In mid-January of 2022, CICC signed a Green Financial Business Cooperation Agreement with China Beijing Green Exchange. The parties will carry out extensive cooperation in green finance, construction of carbon market, research projects and other aspects with a view to building the financial ecosystem of the capital and improving the innovation and creativity of green financial products together.

• **Response to international initiatives**

CICC attaches great importance to the response to and participation in international green finance, responsible investment and other initiatives, with a view to expanding our international influence and building the image of a responsible financial institution.

As one of the first signatories of the Green Investment Principles for the Belt and Road (GIP) and the only investment bank among GIP members, CICC worked together with other members to fully promote the green investment and financing in BRI regions and promote the high-quality development of the Belt and Road Initiative.

In July 2022, CICC, as an asset manager, signed the "Principles for Responsible Investment of the United Nations" (UNPRI) and complied with the statements in "Six Principles" to support the development of sustainable investment.

03 Commitment to Responsible Finance

• Suggestions for the industry

As a leading investment bank and asset management company in China, CICC actively participated in domestic and overseas forums and activities in relation to sustainable finance, jointly explored the development trends and hotspots of sustainable finance with other participants, and contributed to the high-quality development of China's economy.

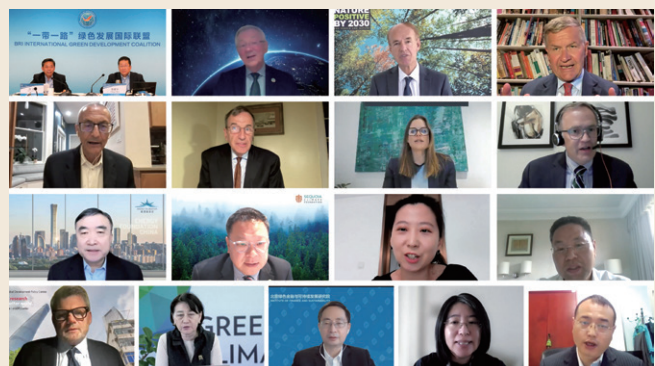
Case: CGI co-hosted CCICED 2022 Annual General Meeting Open Forum: "Building a Green BRI Together to Boost Global Green and Low-Carbon Transition"

In June 14, 2022, the forum China Council for International Cooperation on Environment and Development (hereinafter referred to as the CCICED) 2022 Annual General Meeting: "Building a Green BRI Together to Boost Global Green and Low-Carbon Transition" co-hosted by CGI, BRI International Green Development Coalition (hereinafter referred to as the BRIGC) and Energy Foundation China was held online. Nearly 200 representatives from government departments, international organizations, domestic and foreign research institutions and non-governmental organizations of the Belt and Road co-construction countries attended the forum.

The forum focused on the two topics of "low-carbon development of the Belt and Road with clean energy innovation and cooperation" and "Post-epidemic green recovery with green finance". In the discussion of the second topic, Wu Huimin, managing director and general manager of the CGI and head of the BRI Research Center, analyzed the challenges brought by the once-in-a-century global changes to the economic recovery of countries along the Belt and Road and pointed out the importance of green finance such as green bonds in supporting the green recovery of countries along the Belt and Road. Wu

Huimin proposed to strengthen cooperation in three aspects in the future: firstly, to unify green standards and improve green financial infrastructure; secondly, to deepen international cooperation and give full play the supporting role of multilateral financial institutions; thirdly, to enrich financial instruments and reduce green investment and financing risks.

In 2021, CGI was invited to be a member of the BRIGC. In May of the same year, under the guidance of the Ministry of Ecology and Environment, CGI and the BRIGC co-hosted the Green Silk Road Forum (共話綠色絲綢之路論壇) and jointly launched *Initiative on Promoting Research Cooperation between Think Tanks on the Green Silk Road* (《推進「綠色絲綢之路」智庫研究合作的倡議》) with Belt and Road Green Development International Institute (「一帶一路」綠色發展國際研究院) at the forum. In the future, the CGI will continue to promote close cooperation with the BRIGC, promote international exchanges and interactions through academic exchanges, research cooperation, seminars and other forms, and provide suggestions for the green development of China and the Belt and Road co-construction countries.



Case: CICC successfully held the first “Sustainable Development and ESG Investment” Forum

CICC successfully held its first “Sustainable Development and ESG Investment” forum on December 1, 2022. Under the guidance of the “Carbon Peak and Carbon Neutrality” strategy, leaders of domestic and overseas decision-making institutions, top experts and representatives of leading enterprises in the industry attended the online forum to discuss the hot topics and trends of sustainable development and ESG investment with the aim to promote sustainable financial ecology construction with global wisdom, explore an ESG investment system with Chinese characteristics, and support economic transformation and quality development. The CICC *ESG Handbook*, jointly formulated by the CICC Research Department and the CICC Global Institute, was also released at the forum, aiming to interpret the ESG concept and illustrate the operation rules of the ESG value chain through an inclusive perspective and to provide a reference for investors to identify the intrinsic value of enterprises with the newly established CICC ESG rating.

In the welcome speech, Huang Zhaohui, Chief Executive Officer of CICC, said, “The report to the 20th CPC National Congress clearly stated that to pursue green development and promote harmony between humanity and nature. To continuously deepen environmental protection and strengthen ESG practices is an important measure for us to fully implement the decisions and arrangements of the Party Central Committee and advance towards the carbon peak and carbon neutrality targets, and is also a duty-bound mission for the financial industry. In the future, CICC will keep our original aspiration of ‘For the Nation’, thoroughly implement the development concept of ESG, actively practice corporate social responsibilities, and contribute to the high-quality development of the real economy.”

At present, the practice and exploration of ESG at home and abroad is in the ascendant. The specific ESG evaluation standards, practices and supervision methods vary among ESG practitioners due to the different knowledge backgrounds and economic and social environments. In this regard, the CICC Research Department and the CICC CGI jointly formulated the CICC *ESG Handbook*, which systematically analysed the global development and practice of ESG. The first volume of the book discusses the meaning of ESG, and provides a thorough analysis for various economic entities around the “value chain” of ESG. The second volume sets out the CICC ESG rating system that is compatible with international standards and local Chinese characteristics by taking A-share listed companies as samples.

Liu Junwei, Chief Quantitative and ESG Analyst of CICC Research Department, stated that, “We referred to the general process of ESG rating system construction, and established CICC ESG rating system within half a year by optimizing the eight steps including ‘selection of rating targets, importance analysis of industry issues and weight setting’. It not only includes top-down research on the specific meaning of China’s high-quality development concept, but also a common understanding of the industry and company from the bottom-up industry research team and the ESG team. We will continue to update our analysis and assessment of ESG in line with the development trend of long-term interaction and deep integration between ESG and the capital market.”

03 Commitment to Responsible Finance

Case: CICC Charity Foundation attended the United Nations Climate Change Conference (COP27) for the first time

The 27th session of the Conference of the Parties (COP27) of the *United Nations Framework Convention on Climate Change* was held in Sharm El Sheikh, Egypt, from November 6 to November 20, 2022. As a representative of a corporate social welfare organization, CICC Charity Foundation was invited to participate in the plenary session of the Conference and the UN side event with the Chinese delegation, and spoke at the panel discussion of the "China Pavilion".

The United Nations Climate Change Conference is one of the largest and most influential international conferences in the world. The Chinese government always supports UN initiatives on climate change issues, and sends delegations to the Conference every year. At COP27, a series of important outcomes and consensus were achieved.

It was the first time that CICC Charity Foundation had participated in an important multilateral international conference to share its philosophy and practical achievements of public welfare with representatives from various countries. As an important platform for CICC to carry out charity activities and fulfill its social responsibility, CICC Charity Foundation has long been committed to promoting social welfare undertakings in the fields of sustainable development, including addressing climate change and protecting the environment. CICC Charity Foundation collaborated with enterprises to increase direct participation and investment in green low-carbon and biodiversity; cooperated with public welfare organizations to jointly promote the

construction of public welfare ecological carbon sink forests and biodiversity conservation projects in various provinces; and actively explored the establishment of the "green low-carbon + biodiversity + rural revitalization" governance model. In addition to protecting the natural ecology and biodiversity, CICC Charity Foundation also made efforts to increase local economic income, achieve green development and improve life.

On November 17, CICC Charity Foundation, as a co-organizer, attended the UN side event with the theme of "Intended Contribution and Global Collaboration on Climate Change and Biodiversity Synergy". Representatives of the participating organizations introduced the milestones and typical cases of promoting synergistic climate and biodiversity management around nature-based solutions. At the "China Pavilion" side event held on the same day, CICC Charity Foundation introduced the direct participation and investment of CICC Charity Foundation and its partners in the field of green low-carbon and biodiversity to the representatives of the participating countries at the Panel Discussion on "Association and Enterprise promote NBS and Synergies between Climate Change and Biodiversity Conservation", and promised to continue to take active actions to explore the governance model of "green low-carbon + biodiversity conservation + rural revitalization". CICC Charity Foundation strives to realize the harmonious coexistence of human and nature, and will contribute to addressing climate change and promoting biodiversity conservation.



Picture: CICC Charity Foundation attended and spoke at COP27 China Pavilion Panel Discussion in Sharm El Sheikh, Egypt

Case: CICC sponsored the “The Road to Carbon Neutrality-Webinar”

In June 8, 2022, “The Road to Carbon Neutrality” webinar, hosted by *The Asset* and sponsored exclusively by CICC, was successfully held. This activity invited domestic and overseas experts, decision makers and institutional investors of sustainable investment to discuss climate change and its impact on investment portfolio, ETS reform and investment opportunities in Asian, European and international carbon market. Peng Wensheng, Chief Economist of CICC, and Lin Ning, Managing Director of CICC HK AM, attended this forum as a keynote speaker and a panellist, respectively. Other speakers who attended the webinar included Ma Jun, Chairman of Green Finance Committee of China Society for Finance and Banking and Co-Chairman of the G20 Working Group on Sustainable Finance, Wilhelm Mohn, Global Co-head of Corporate Governance of Norwegian Sovereign Pension Fund (挪威主權養老金公司).

Based on the deep understanding of China’s carbon neutrality policy and economy as well as keen judgment on demands of local and overseas investors, CICC has proactively contributed to the development of China’s carbon market by leveraging its strength of international platform, cross-departmental integrated business capability and product innovation capability. At the webinar, CICC’s research and business professionals communicated with investors on climate change and its impact on investment portfolio, as well as the development and investment opportunities of carbon markets in Europe and China.

Dr. Peng Wensheng, Chief Economist of CICC, head of the Research Department and Executive Dean of CICC Global Institute, said that the Russia-Ukraine conflict has exposed the global reliance on fossil energy. The

European Union conducted a comprehensive review on its energy security and proposed the REPowerEU energy strategy to accelerate energy transformation and reduce reliance on fossil energy. In the short term, the Russia-Ukraine conflict led to a global shortage of fossil energy supply, which pushed up the price of fossil energy. This will lead to a decline of the green premium (defined as the difference between the cost of clean energy and the cost of fossil energy). But in the long term, the falling of green premium can be achieved by reducing the cost of renewable energy through technological innovation and progress on the one side, and also by raising the price of carbon and increasing the cost of fossil energy on the other side. In recent years, China has made significant investments and efforts in both areas, and accomplished remarkable achievements.

Lin Ning, Managing Director of CICC HK AM, introduced the concept of “CESGs” (Climate-ESG-sustainability), pointing out that the global climate issue and carbon neutrality solutions would depend on the participation of institutions and investors, including CICC Asset Management. The price of EU Carbon Emissions Allowances (歐盟碳排放配額) serves as a barometer of the allocation of carbon emission as an emerging asset class and also the most important indicator of the progress of global carbon neutrality policies. By investing in CICC Carbon Futures ETF, investors are able to participate in the “externality” pricing, the world’s most important public affair in Asian hours, and provide assistance to contribute to solutions in the climate issue. Meanwhile, they have opportunity for potential investment gain which has low correlation with other assets. The dual advantage of CICC Carbon Futures ETF distinguishes itself from other assets. CICC Asset Management will actively promote innovative products related to carbon emission permit market in China.

The guests attending the webinar also discussed hot topics, such as green finance “Taxonomy” system, information disclosure policy, climate risk management, research and development and market prospects of green product, role of regulators and investors of sovereign institutions in the process of global carbon neutrality. The webinar was well received by an audience from major investment institutions in Asia, Oceania, Europe, the Middle East and Africa.



04



Quality Service for Client

Adhering to the core value of "Customer First and Integrity; Chinese Roots and International Reach", CICC has carried out businesses with high standard, ensured information security, innovated products and services, protected the interests of investors, promoted popular education on finance and is committed to providing superb financial services to customers.



04 Quality Service for Client

4.1 ADHERING TO PRODUCT RESPONSIBILITY

• Information security and privacy protection

In terms of protecting customer privacy, the Company complied with national regulations and requirements such as the *Personal Information Protection Law of the PRC*, the *Data Security Law of the People's Republic of China* and *Information Security Technology – Personal Information Security Specification (GB/T 35273-2020)*, and has formulated and implemented a series of policies including the *Measures of China International Capital Corporation Limited on the Management of Data Classification* (《中國國際金融股份有限公司數據分類分級管理辦法》), the *Policy of China International Capital Corporation Limited on the Management of Data Authorization* (《中國國際金融股份有限公司數據權限管理政策》), the *System of China International Capital Corporation Limited on the Management of Data Security* (《中國國際金融股份有限公司數據安全管理辦法》), the *Measures of China International Capital Corporation Limited on the Management of Data Desensitization for Beidou Project* (《中國國際金融股份有限公司北斗項目數據脫敏管理辦法》) and the *Measures of China International Capital Corporation Limited on the Management of Data Encryption for Beidou Project* (《中國國際金融股份有限公司北斗項目數據加密管理辦法》). The information on customers was kept in special folders and direct sales systems.

We have defined clear security management requirements for the full life cycle of data including collection, transmission, storage, use and destruction, adopted differentiated protection measures for data based on security levels, performed necessary encryption and desensitization of data, and formulated the corresponding approval process, so as to prevent the risk of privacy leakage from the technical level. We made strict permission control to all business data through the Beidou Data Platform, and the production data used in the platform is subject to approval process of OA data permission. Meanwhile, pursuant to the relevant national personal information protection regulations, we took measures to encrypt and store sensitive personal information in the data warehouse, and desensitize production data in testing environment to enhance the protection of personal private information. In addition, we carried out the vulnerability scanning on a quarterly basis, and conducted security tests before the launch of systems; we conducted the network security protection work during important period according to relevant requirements, and carried out offensive and defensive drills; shared the intelligence on threats; and provided regular trainings on security awareness and publicity of information security awareness for the employees.

• Protecting investors' rights and interests

According to the *Securities Law of the PRC*, the *Notice of the General Office of the State Council on Further Strengthening Protection of the Lawful Rights of Small Investors in Capital Markets*, the *Regulations on Investor Interests Protection Work of Securities Companies* and other laws and regulations, CICC has formulated administrative measures including the *Protection of Investor Rights and Interests Policy* (《投資者權益保護制度》), the *Work System on Investor Education* (《投資者教育工作制度》), the *Rules of Work of the Investment Insurance and Investment Education Committee and Its Office* (《投保投教委員會及其投保投教辦公室工作規則》) to protect legitimate rights of investors.

The Company has set up an Investment Insurance and Investment Education Committee to take charge of works in relation to protecting the rights of Company's investors and conduct annual assessment and evaluation to investor protection works among different departments and branches.

The Company takes the following specific measures to protect the rights and interests of investors:

- We regularly publish works and announcements on illegal securities activities and fraudulent activities on various online platforms to alert investors preventing fraudulent activities.
- We consolidate feedback from customers in a timely manner and submit the same to the Information Technology Department which will report relevant information to the cyber police (Public Security Financial Anti-Fraud Centre).

04 Quality Service for Client

The Company takes the following measures in relation to the service for customers on APP:

- We launched risk alerts on the conversion and mandatory redemption of bonds as well as abnormal fluctuation of stocks to help investors avoid unnecessary losses and risks.
- We strengthened the display of the four elements of matching results between customers and products in the procedures of purchasing mutual funds to prevent customers from purchasing products that are not suitable for them.

• Ensuring the quality of products and services

In accordance with the standards of external policies, various self-regulatory rules and corresponding internal management systems, the Company regulated the presence, the quality of products and services and business processes of main business segments to ensure high quality products and services for customers.

In terms of wealth management, the Company is primarily engaged in six businesses including asset management, stock pledge and financial product distribution. In compliance with the *Guiding Opinions on Regulating the Asset Management Business of Financial Institutions*, the *Measures on the Trading, Registration and Settlement of Pledge Style Repo* and other laws and regulations, we formulated clearer internal policies, such as the *Measures for the Administration of Asset Management Business* (《資產管理業務管理辦法》) and the *Regulations on Management of Over-the-Counter Market Transaction* (《櫃檯市場交易管理細則》).

In terms of private equity investment, CICC established stringent quality control systems and documents for all aspects of fund raising, investment, management and withdrawal for corresponding businesses, such as the *Rules on the Management of Investor Suitability* (《投資者適當性管理細則》) for fund raising, the *Operational Guidelines for Decision-making on Investment* (《項目投資決策流程規範操作指引》) for investment by various funds, and the *Post-investment Management System* (《投後管理制度》) for management and withdrawal.

In terms of asset management, mutual funds and private asset management plans are the main products which comply with the *Securities Investment Fund Law of the People's Republic of China*, the *Administrative Measures on Operations of Subscription Convening Publicly Offered Securities Investment Funds* (《公開募集證券投資基金運作管理辦法》), the *Guiding Opinions on Regulating the Asset Management Business of Financial Institutions* (《關於規範金融機構資產管理業務的指導意見》), the *Measures for the Administration of the Private Asset Management Business of Securities and Futures Business Institutions* (《證券期貨經營機構私募資產管理業務管理辦法》), the *Provisions on the Administration of Operation of Private Assets Management Plans of Securities and Futures Business Institutions* (《證券期貨經營機構私募資產管理計劃運作管理規定》) and relevant external and internal laws and regulations and administrative measures.

- **Practicing responsible marketing**

CICC strictly complied with business management measures and systems and published a number of internal regulations, including the *Regulations on Financial Marketing and Publicity of China CICC Wealth Management Securities Company Limited* (《中國中金財富證券有限公司金融營銷宣傳管理規定》) and the *Marketing Activities Compliance Guideline* (《市場營銷活動合規指引》), which focus on the rationality and legality of marketing activities in products and services in terms of qualification of marketing staff, usage of marketing content, employee behaviour management, disclosure of sufficient risk and suitability management. Headquarter of the Company produced product publicity materials for various online and offline marketing activities. All publicity materials were reviewed by various departments of the Company before being put into use to ensure authenticity of advertisements, legal compliance of publicity materials and transparency of products and services, thus safeguarding the rights of investors to the greatest extent.

- **Upgrading network security management**

According to the *Cybersecurity Law of the People's Republic of China*, the *Measures for the Administration of Information Technology Management of Securities Fund Trading Institutions* and other laws and regulations, the Company has formulated the Company-wide *Information Security Management System of China International Capital Corporation Limited* (《中國國際金融股份有限公司信息安全管理制度》), the *Information Technology Management Policy of China International Capital Corporation Limited* (《中國國際金融股份有限公司信息技術管理政策》), the *Policy of China International Capital Corporation Limited on Management of Data Access* (《中國國際金融股份有限公司數據權限管理政策》) and other internal management policies.

During the Reporting Period, the Company has passed the ISO27001 and ISO20000 certifications and established PDCA closed-loop management mechanism; and adopted the construction of DSN security protection, security strengthening of Container platform, and quarterly vulnerability scanning to continuously optimize the Company's information security management mechanism and improve the information safety and risk prevention and control system.

04 Quality Service for Client

4.2 INNOVATING PRODUCTS AND SERVICES

• Fintech innovation

CICC relies on various business segments to carry out Fintech innovation. We have built and upgraded a number of customer service platforms and internal technology platforms and optimized its “customer-centered” business model through online service and process refinement to meet the diverse needs of institutional and retail clients and provide professional services to more financial scenarios. During the Reporting Period, we achieved the following key innovations:



Customer Service Platform	Achievements
CICC Institutional Business Service Platform	It provides online services for the whole life cycle of investment research, trading, products and operations for many institutional clients.
CICC FICC Platform	It integrates APP, Web, WeChat mini-program and others providing one-stop CICC FICC services in relation to research, sales, trading, investment banking professional services and in-depth market insights to domestic and foreign clients.
Xingyun Institutional Services Platform	It serves institutional clients such as banks, wealth management subsidiaries and corporations through online and end-to-end services, and provides full-flow, customized services to high-net-worth individual clients of listed companies, making the Company the first in the industry to establish a re-finance platform for counterparty interbank clients.
CICC Fund's Official Wechat Website	Establishment of this intelligent service platform is another measure of CICC Fund to practice inclusive finance. It provides customers with faster transaction inquiries, better investment and wealth management service experience, and better visual interface to suit customers' using habits.
CICC Capital Club	It creates a number of business scenarios such as investment and financing, enterprise services, investment attraction, and supports LPs and investee companies to promote business resource exchange and open a new mode of ecological support.
CICC Wealth Management APP	It provides full-spectrum product trading and asset allocation services through rich, professional, high-quality and timely content pushing, making professional wealth management at your fingertips.
Digital Employee Jinn	Digital employee Jinn provides both online and offline experiences for the first time, such as the interpretation of Mutual Fund 50 in APP, the first innovative scenario in the offline business department, as well as the initial exploration to metaverse with Fintech. It integrates traffic from 68 distribution platforms and accumulated nearly 20,000 fans to prepare for the next business transformation. Digital employee Jinn was awarded the “Best Digital Employee” by the Ministry of Industry and Information Technology and has attracted nearly 20 media coverage, including CIs.cn.
One-stop digital investment research platform-“CICC Research Insights”	It integrates the wisdom of 500 researchers and 100 IT experts to provide the industry's best indicator database, quantitative database, research framework, reports and other content, helping buy-side institutions to quickly complete knowledge accumulation and management and achieve more intelligent investment decisions.



Internal Technology Platform	Achievements
ESOP Management System	As a first-class securities company in ESOP management, CICC created ESOP management system for enterprises and accomplished employee share incentive innovative schemes for relevant clients, which demonstrated competency in innovative and differentiated scheme for domestic and overseas clients.
Investment Advisory Platform E-Space	E-Space, an investment advisory platform, is the first project of CICC Wealth Management that has been certified as DEVOPS CD3 level by CAICT. It was awarded the GOITI 2022 Information Technology Leadership Team Award and the 2022 Excellent in Innovation Award of IT New Governance. The investment advisory platform provides professional, standardised and convenient services to more than 3,000 investment advisors of the Company so as to offer higher quality investment advisory services to clients.
"Tianji" Platform	The projects under the management of the platform increased by 38% during the year and extended to provide support for 17 business departments. Currently, it has more than 330 projects with over 3,300 users.
"Luban" Digital Employee Service Platform	During the year, it launched 149 robots covering 17 departments and saved a total of 47,000 man-hours.
"Jiuzhang" AI Brain	It fully launched the construction of AI general capability and functional applications. During the Reporting Period, 29 AI services and 25 scenarios were added, and service invocation in the year was about 450,000 times.
"Beidou" Platform	It created an enterprise data platform and operational service system, connected isolated data islands, and accumulated high quality data assets to form 2,021 data standards and carry out standardise data construction on the basis of independence and control.
"Fuxi" Programming Framework	It introduced a reference framework for cloud-native application technology and a Fuxi programming framework, and gradually established 25 standard technological components to effectively iterate the research and development of 63 systems in 11 departments; and it developed public technological components by solidifying development specifications, which reduced the development costs and enhanced efficiency significantly.
"Pangu PaaS" Platform	It built computing platform and Tianyan application monitoring and governance platform to conduct contract valuation and scenario analysis stress testing, thus improving business responsiveness.

04 Quality Service for Client

- **Innovation of business products**

All business departments of CICC regard innovation the major driver for business development, and proactively promote innovation of business products.

- **Investment banking**

Case: Proactively carrying out GDR innovative business

During the Reporting Period, the CSRC issued the *Provisions on the Supervision and Administration of Depository Receipts under the Stock Connect Scheme between Domestic and Overseas Stock Exchanges*, which included Germany and Switzerland in the applicable scope of Stock Connect Scheme, optimized and upgraded the Shanghai-London Stock Connect mechanism, and further promoted the institutional opening of Chinese capital market. The leaders of CICC and relevant departments actively responded to the call of the state, quickly issued instructions and made arrangements with the aim of being a pioneer in the interconnection mechanism. CICC UK was successfully approved to become the first PRC-based member of the SIX Swiss Exchange and the

Frankfurt Stock Exchange and the first Chinese investment bank in Europe qualified to access the Stock Connect Scheme with UK, Germany and Switzerland. It took the lead in participating in the comprehensive upgrade of the Stock Connect Scheme and realized connection among the “two stock exchanges and three countries”. CICC actively assisted listed companies to carry out GDR innovative business, participating in the issuance of the first Mingyang Smart Energy (明陽智能) GDR on London Stock Exchange since the implementation of the new rules of “China-Europe Connect (中歐通)” and the first batch of Keda Industrial GDR and Gotion High-Tech GDR on the SIX Swiss Exchange, covering nearly 1/3 of the announced GDR projects.

- **FICC**

Case: CICC completed the first OTC interest rate swap transaction with the Export-Import Bank of China

During the Reporting Period, CICC completed an OTC interest rate swap transaction linked to LPR with the Export-Import Bank of China and became the first security company to cooperate with the Export-Import Bank of China in the OTC derivative business, which was also the first time that CICC had provided derivatives services for a policy bank. Based on the actual needs of the Export-

Import Bank of China on consolidating and expanding risk prevention and control, CICC applied the market-leading pricing models of LPR derivatives, to assist the Export-Import Bank of China in optimizing the management of interest rate exposures, contributing to the high-quality development of the Belt and Road.

Case: CICC completed the first transaction of spot USD settlement transaction for its client

During the Reporting Period, CICC completed a transaction of sale and settlement of spot foreign exchange as an agency with a nominal principal of US\$56 million, which was the first spot USD settlement transaction for CICC and the first foreign exchange transaction in cooperation with China General Technology (Group) Holding Company Limited, a strategic client of the FICC Department.

In this transaction, CICC customized USD settlement transaction plan for its client in accordance with client's foreign currency liability management needs and the best market practices. With professional services and capabilities, CICC stood out from large state-owned banks and foreign banks and other service institutions and successfully conducted this transaction, opening a new chapter in the foreign currency liability management for central enterprise groups and laying a solid foundation for further cooperation in the future.

– Private equity investment

Case: CICC Capital carried out “dual support” by relying on China’s practice

-- For the government platform: CICC provided research, designated investment, investment attraction, co-investment, inter-departmental docking and other services. During the Reporting Period, we provided over 20 reports and over 10 special projects for governments at all levels. We completed numerous designated investments in many places and the investment attraction of more than 10 enterprises.

-- For industrial groups: CICC provided research, main business investment, business expansion, co-investment, inter-departmental docking and other services, including sharing more than 100 reports and conducting dozens of industry and project roadshows, introducing premium clients focusing on the main business, assisting in finding

M&A targets and introducing more than 20 times of co-investments.

-- For investee enterprises: Financial support: CICC provided services on listing planning and subsequent financial support and bank loans for nearly 100 enterprises. Business support: CICC provided services on customer introduction and upstream and downstream dealmaking for nearly 60 enterprises. Government resource support: CICC connected government resources for nearly 40 enterprises. Intellectual support: CICC provided strategic planning resources for nearly 30 enterprises. Human resource support: CICC recruited multiple executives and professionals for nearly 10 enterprises.

04

– Asset management

During the Reporting Period, CICC Asset Management actively carried out the research and development and release of ESG products. In terms of ESG publicly offered products, the CICC Carbon Futures ETF was launched on the Hong Kong Stock Exchange, which is the first carbon credit ETF in Greater China. CICC HK AM and Eastspring Investments jointly established the China Sustainable US Dollar Bond UCITS Fund. In terms of privately offered products, we have been working more extensively with our clients regarding ESG, including index and theme products.

During the Reporting Period, CICC Fund established CICC CSI 500 ESG Index Enhanced Fund (中金中證500ESG基準指數增強型證券投資基金) and CICC SSI Clean Energy Theme Index Initiating Fund (中金華證清潔能源主題指數發起式證券投資基金). CICC SSI Clean Energy Index Theme Initiating Fund focuses on investing in clean energy industries such as photovoltaic and wind power to provide financial support for relevant enterprises, which is in accordance with the industry direction of the national development strategy.

• Protection of intellectual property rights

The Company regulates the protection of its own intellectual property rights according to the *Trademark Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*, the *Patent Law of the People's Republic of China* and other laws and regulations. We are gradually planning to improve the intellectual property rights management system, and have established a daily monitoring and rights protection mechanism for intellectual property rights such as trademarks and copyrights. In case of any violation of rights and interests of the Company, such as unauthorized transmission and issuance of research reports of the Company for profit-making purposes, the legal department of the Company will protect its legitimate rights and interests according to relevant laws and regulations.

04 Quality Service for Client

4.3 IMPROVING CUSTOMER EXPERIENCE

The Company is committed to satisfying investor's demands. It has continuously optimized services, deepened customer communication, and effectively dealt with customer complaints to improve customer experience.



Optimizing business processes	–	In order to provide an efficient and convenient online business experience, the Company has made a number of investment businesses online. We launched the industry-leading account opening 2.0 mode to support multi-scenario intelligent account opening. We continued to optimize the customer's experience on the APP side, and added the face-to-face video zone to assist in investment decision making.
Optimizing the presence of branches	–	During the Reporting Period, the Company was committed to optimizing the presence of branches to achieve national coverage. The Group and its subsidiaries have 212 securities business offices in 29 provinces and municipalities in Chinese mainland. The Company prevented and mitigated the financial risks of branches with poor operation and less potential through regional integration and optimization.
Serving special groups	–	<p>Online services: We provided the corresponding and convenient services for the elderly aged over 70, foreign customer, disabled people to improve the adaptation of the APP.</p> <p>–</p> <p>Offline services: We improved the convenience for the elderly investors who came to the branches in person by providing barrier-free access facility and other facilities, and we had reading glasses in place for their easy handling of transactions.</p>
Promoting customer communication	–	<p>Optimizing communication channel: The Company regarded the official website and micro-official website as the important part of the digital transformation to carry out transformation and upgrading, and carried out all-around transformation and upgrading for core functions to improve customer experience.</p> <p>–</p> <p>Holding brand events: The Company depended on the WeChat official accounts and major video platforms to promote various professional articles and videos; launched two online live shows to improve the investors' investment understanding through the services featuring fun and professionalism. During the Reporting Period, the Company built 9 offline brand projects to update customer on macro-economic environment, policy outlook, industry research view and other professional knowledge, which also promoted CICC culture.</p> <p>–</p> <p>Organizing Party branch co-construction events: The Party branch of the Company and customer's Party branch held various joint Party building and Party-themed day activities with a view to opening the new pattern of mutual integration, mutual promotion and coordinated development of Party building business.</p>



Dealing with customer complaints

- Strengthening institutional improvement: In accordance with the *Administrative Measures on Suitability for Securities and Futures Investors* and *Guidelines for Handling Complaints of Investors of Securities, Fund and Futures Operating Institutions (Trial)* and other laws and regulations, the Company formulated the *Measures for the Administration of Customer Company* (《公司客戶投訴管理辦法》) and the *Rules for the Administration of Complaints on Investor Suitability* (《投資者適當性管理投訴細則》) to specify the responsible parties, principles and procedures of handling complaints. For dealing with customer complaints, we followed the principles of "timeliness, classification and internal resolution", paid close attention to complaints and addressed them timely to avoid the escalation of conflicts.
- Optimizing management measures: The Company set a standardized procedure for complaints dealing personnel and relevant departments positively handled the complaints, followed up complaint progress and supervised and urged the relevant parties to positively and properly deal with customer complaints.
- Annual performance: During the Reporting Period, we accepted 59 customer complaints in total, of which customer complaints handling satisfaction rate was 67% and customer service satisfaction rate was 97%, and the number of complaints was substantially below the peers.

04

Case: Online live programs on financial investment education

CICC Wealth Management has launched two live online programs, *Desired Investment* (《嚮往的投資》) and *China 50 – Cloud Chatting Room* (《中國50中國行—雲會客廳》), to build a distinctive financial investment education brand through those two weekly live programs, and to enhance investors' understanding of financial markets and fee-based investment advisory services through warm, interesting and professional companion services. As of the end of the Reporting Period, there were 44 live broadcasts and approximately 800,000 viewers. The live broadcast data ranks the first and far beyond the second player in the industry, and we have formed a good industry and user reputation.



04 Quality Service for Client

4.4 POPULARIZING FINANCIAL EDUCATION

The Company launched various online and offline activities to promote and popularize finance education. During the Reporting Period, we prepared and posted videos, articles, posters and other promotional materials on financial fraud prevention through various online channels. With the themes of "Choosing a safe financial institution", "Preventing virtual money fraud" and "Precaution of fraudulent phone calls on the pretext of COVID-19 prevention", we provided fraud prevention knowledge to vulnerable elderly groups in parks, squares and other outdoor spaces. We organized and held three centralized publicity activities both online and offline on preventing illegal securities and futures activities to remind investors to stay away from illegal activities and prevent fraud, covering approximately 3 million person-times.

During the Reporting Period, the Company also launched the "Future Financiers, Financial Business Winter Camp (未来金融家·财商冬令营)" enlightenment class for teenagers in the form of live teaching and on-the-spot test to guide them to build up correct attitude towards money, financial management and value. The class integrated the culture of CICC and impressed clients with the image of CICC in actively assuming social responsibilities.



Picture: Popularize public financial education



Picture: Investors education articles



Picture: "Future Financier, Financial Business Winter Camp" enlightenment class



05

Growing with Our People

CICC regards its talents as the most important assets for its development. We have been adhering to the concept of "By the people", protecting rights of employees in accordance with laws, nurturing professional teams, providing growth platforms for employees, caring about employees' daily life, promoting the construction of corporate culture and pursuing win-win cooperation with our employees.



Our Performance

Total number of employees

15,168 employees,
including 8,062 female and 7,106 male

We care for our people

established 8 cultural and sports associations

We pay attention to the growth and development of employees

carried out 1,001 training sessions
covering 410,059 person-times
with total investment of RMB 5,693 thousand



05 Growing with Our People

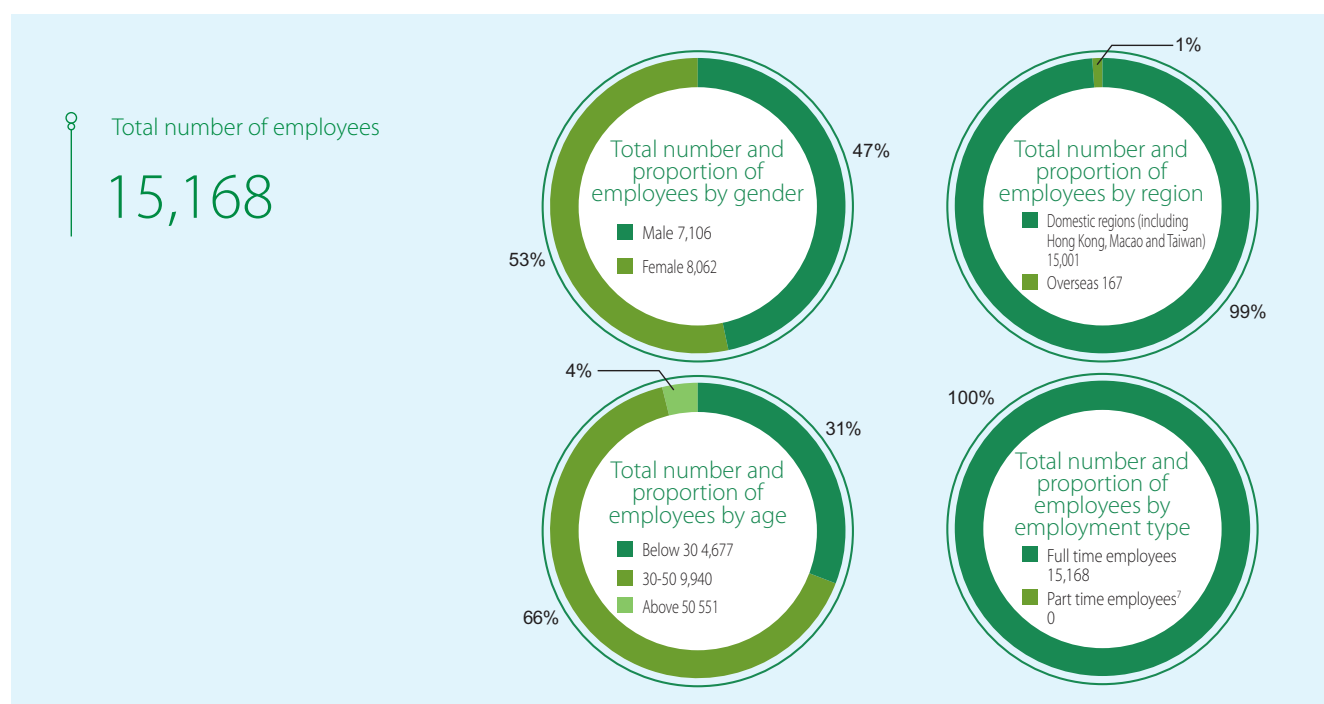
5.1 PROTECTING EMPLOYEE RIGHTS

- **Staff recruitment and employment**

The Company adhered to the value of people-oriented and made efforts in attracting, cultivating and retaining the best people. During the staff recruitment and employment process, we always abided by relevant laws and regulations, and have formulated the *Recruitment Management System of China International Capital Corporation Limited*, which specified rules of “fair competition, objectiveness and justice, comprehensive assessment, merit-based selection, legal compliance, evidence-based practices” for staff recruitment. We also have specified the requirement of conduct for recruiter to ensure that there is no discrimination in terms of gender, age, sexual orientation, religion and race in the recruitment process. In the specific interview process, we have strictly complied with the interview process, implemented strict approval for recruitment, and provide equal recruitment opportunities to workers.

During the staff recruitment process, we always abided by the *Law of the People’s Republic of China on the Protection of Minors*, the *Provisions on the Prohibition of Using Child Labor* and other laws and regulations, and strictly screened the age information of candidates to avoid child labour. During the recruitment process, the Company and the candidates have signed employment contracts on an equal and voluntary basis to avoid the occurrence of forced labour. In case of any violation of labor standards, we will immediately stop such actions, identify loopholes and formulate solutions. During the Reporting Period, the Company did not have any violations such as forced labor or child labor.

Figures in 2022



⁷ Part time employees refer to the definition of "Non-full time employees" in the *Labor Contract Law of the People's Republic of China*, representing a form of employment in which workers are mainly paid on an hourly basis, and the average working hours of employees with same employer generally shall not exceed 4 hours per day, and the cumulative working hours shall not exceed 24 hours per week.

05 Growing with Our People

• Remuneration and benefits

The Company formulated the remuneration strategy with full consideration of the experience, qualifications and capabilities of employees to motivate employees. Meanwhile, We paid attention to employees' senses of belonging and fulfillment and continued to build a more comprehensive benefit and social security system for employees, and provided more market-competitive benefit and social security plans, including statutory social insurance, housing provident fund, supplementary medical insurance, employee care plans, vacations and home leave, so that employees can feel our care for them.

The Company positively ensured the consistent implementation of the strategy of strengthening the country through talents and provided various policy awards for senior management and core talents, including "Phoenix Scheme (鳳凰計劃)" project in Chaoyang District, Beijing, and "Three Types of Talents (三類金才)" project in Shanghai. In 2022, the Company organized the application for talent recognition awards for core employees and supported in the handling works related to core talents, securing the introduction of experienced talents.

• Communication with employees

In order to understand the demand of employees and listen to their voices, the Company have set up a "CEO Mailbox" communication mechanism, through which employees can put forward their demands, relevant departments will reply such demands and implement relevant work and then give feedback to employees. The CEO Mailbox has become a main fast channel for CICC employees to express their demands, report problems, and make suggestions, which arises much attention and is wildly recognized.

5.2 CULTIVATING PROFESSIONAL TEAM

Based on the Company's human resources planning, we set a goal to "build a training system in line with world-class investment banks", defined the strategy of "serving the strategy of the Company and focusing on key positions and groups", and established a training system of diversified content and various forms for all employees, so as to promote the common progress of employees and the Company.

According to the *Training Management Measures of China International Capital Corporation Limited* (《中國國際金融股份有限公司培訓管理辦法》), the Company has regulated its training management mechanism, enhanced the effectiveness of training programs and training management, and strengthened the organizational capability to ensure the realization of strategies.

In order to enhance the professional quality of employees, the Company encourages professional employees to participate in various qualification examinations, and reimburses part of the relevant expenses. In 2022, CICC Wealth Management issued various policy noticed to encourage employees to pass relevant qualification examinations and upgrade professional skills.

The Company provides diversified training courses for employees at different levels and development stages. In April 2022, the Company's digital training platform was launched to facilitate trainee's efficient use of fragmented time to learn and improve the effectiveness of training activities and the efficiency of training management.



New employees	–	As for employees employed via social recruitment, we focused on the required knowledge, integration with the team and professional skills, and designed a learning map in stages to help new employees know of the strategy, culture, business and management red lines of the Company.
	–	As for employees employed via campus recruitment, we organized the “Building our future together (同心創未來)”, a five-day off-the-job training program, to help the transition of the new CICC baby from the campus to the workplace. Each department also focused on business knowledge and professional skills, and carried out departmental-level training to help new CICC baby master the work in a quick manner.
Newly promoted employees	–	As for employees newly promoted in 2022, we focused on the role change and improvement of leadership and strategic capacities, provided differentiated and customized online management courses, promoted the seminars on leadership and strategic capacities in stages, covering all newly promoted MD, ED, VP and SA.
Core managerial employees	–	As for over 50 core managerial employees, we carried out a series of agile leadership trainings to promote the effective implementation of the digital strategy and agile culture of the Company and accelerate the achievement of transformation results.

05

As for all employees, the Company also developed comprehensive online and offline training courses:



Digital training platform	–	A total of 200 + courses have been launched on the training platform, covering more than 30,000 person-times in total.
Online platform of CICC Wealth Management	–	450+ new courses have been launched on the platform, covering more than 90,000 person-times; CICC Wealth Management training platform made overall arrangements for 232 daily business training sessions, covering a total of about 49,000 person-times.
Customised and personalised-training system	–	CICC Wealth Management has completed the initial establishment of IC training system for financial technology and affluent customer base agile team, covering new employees, professional ability and management ability training, of which 95% of new employees and reserve management positions were covered, and the overall training satisfaction reached more than 90%.
Training on professional ability of wealth investment	–	We have improved the investment advisory ability of wealth investment advisers, organized a special live training on the qualification examination of investment advisers, covering 2,000 + person-times, and launched 7 seminars regarding investment consultancy examinations, which increased the pass rate of the overall investment consultancy examination by 5%.

05 Growing with Our People

Case: “Building our future together” off-the-job training

From July 15 to 19, 2022, CICC carried out a five-day off-the-job training program of “building our future together” new star training camp for new employees, i.e. “2022 CICC Baby”, employed via campus recruitment, to deepen their understanding of the original mission of the Company, enhance their perception of the Company’s strategy and

culture, facilitate their involvement into the Company’s business, improve their recognition as a CICC employee and ability improvement, and help them integrate into the workplace and CICC. The training was conducted both online and offline, with the combination of course teaching and group competition.



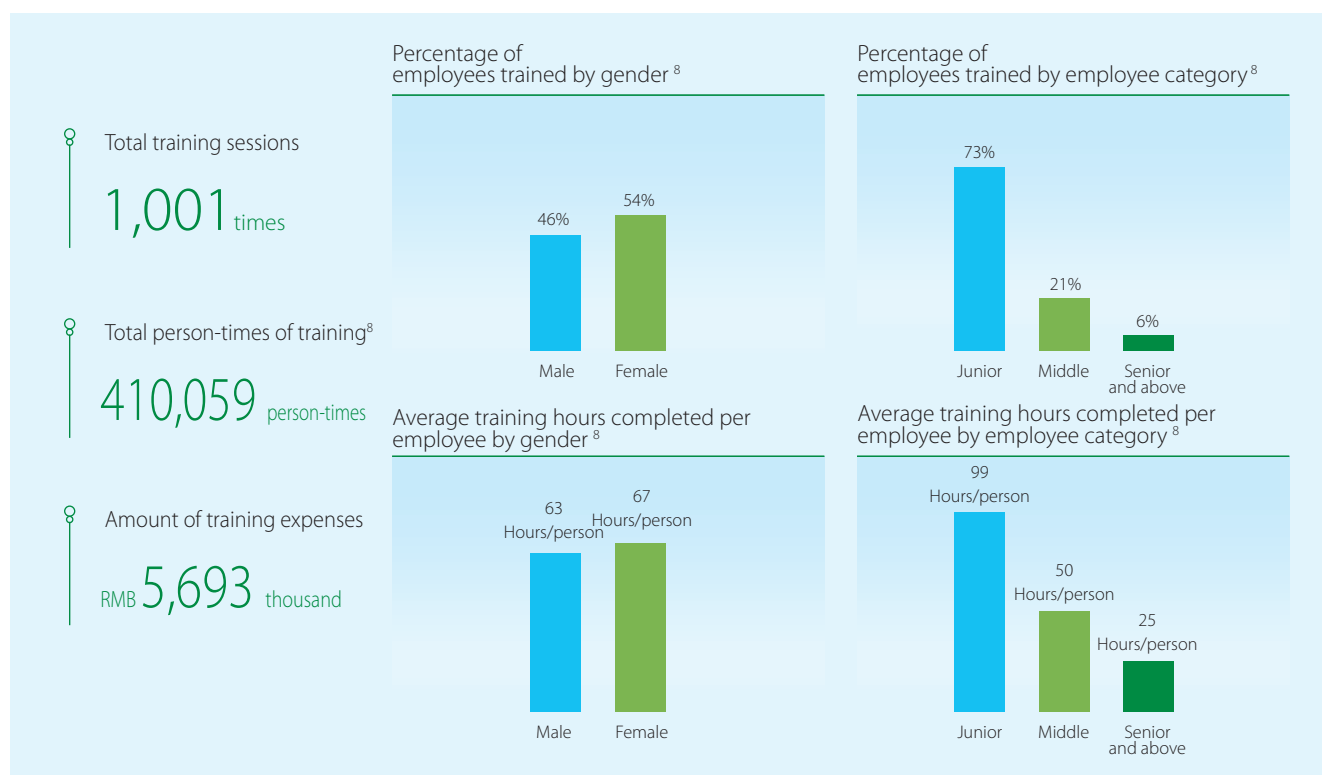
Case: “Leadership for All” training camp

In 2022, CICC inspired and strengthened employees' leadership by promoting their overall development, and injecting strong talent momentum into the Company's soft power construction based on “Leadership Supporting Activities (領導力賦能活動)”. With the theoretical framework of “Leadership Pipeline (領導梯隊)”, CICC Institute designed and organized “Leadership for All” training camp to provide convenient channels and professional guidance for all employees to learn leadership. For example, the “Leading Yourself (領導自我)” training camp is open to all employees, and the content of which covers growth mindset, internal drive, effective communication and emotion management, helping trainees to better understand themselves and enhance their soft power in the world of work. Three sessions have been successfully held, covering more than 550 participants. The “Leading Teams (領導團隊)” training

camp is designed for middle and junior team leaders, employees with growth potential, and senior managers who are interested in learning. The course covers topics including managerial role awareness, task planning, motivation and execution, performance evaluation and situational leadership, aiming to help participants enhance their “leading” and “working” abilities and understand how to support and motivate their teams to achieve work goals by setting an example for others. On top of the above, CICC Institute has compiled the reflections, exchanges and practices of nearly 600 trainees during the learning period into a book named as *Leadership Journey*, which has been publicized and shared within the Company, and fully summarized the feelings and experiences of leadership learning, and further driven more colleagues to attach importance to leadership cultivation.



05 Growing with Our People



⁸ The figures include resigned employees as of the end of the Reporting Period.

According to *How to Prepare an ESG Report — Appendix 3: Reporting Guidance on Social KPIs* issued by the Hong Kong Stock Exchange, the percentage of employee training for each type = the number of employees participating training for such type / the total number of employees participating training.

5.3 CARING FOR EMPLOYEES

The Company follows the *Measures for the Administration of Occupational Health Examination* and other laws and regulations, promotes a harmonious and healthy work and life, cares for female employees, pays close attention to employees' mental health, and provides assistance to employees in need, thus continuously enhancing employees' sense of belonging and happiness. Therefore, employees can create more value for the Company and society while achieving self-realization.

In order to protect the health of our employees to the maximum extent, we regularly organize various activities and lectures, and provide green medical registration services.

During the Reporting Period, the Company organized a series of health management activities under the "CICC Health Season (中金健康季)", including the "Growth Smile (笑容見證成長)" photo collection activity and the "Golden Autumn Sports (燃動金秋)" exercise and fitness seminar. In addition, photos from these activities were broadcasted on electronic screens at workplaces nationwide to spread the concept of health. In order to enrich the life of our employees as much as possible, our labor union has set up 8 cultural and sports associations to promote the exchange of ideas and skills among employees with the same interests and hobbies, and to create a harmonious atmosphere of "solidarity, love and health" for our Company.



Picture: CICC Health Season

05 Growing with Our People



Picture: Mountaineers Club



Picture: Reading Association



Picture: Tennis Association



Picture: Badminton Association



Picture: Long-distance Runner Club



Picture: Football Association



Name of indicator		Unit	Figures in 2020	Figures in 2021	Figures in 2022
Work-related fatalities	Number	Person	0	0	0
	Rate	%	0	0	0
Lost days due to work injury		Lost days per 200,000 working hours			48.4

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5.4 OPEN AND INCLUSIVE CULTURE

Corporate culture is the source of soft power of the Company and the everlasting momentum for its development. During the Reporting Period, the Company vigorously carried out the construction of corporate culture and integrated ESG concepts, and focused on enhancing the cultural identity of employees, so as to cultivate talents with ESG concepts.

• Culture of reading

With the intention to build a century-old enterprise in the capital market, CICC has always focused on cultural construction, advocating the reading culture of “reading to promote thinking and thinking to guide action (以讀促思、以思導行)” and building a learning organization. During the Reporting Period, we held a number of book reading activities and lectures to enrich the cultural life of our staff and create a better cultural atmosphere.

Case: “Searching for Light with Pioneering Spirit” book reading activity

On September 8, CICC Capital and CICC Institute jointly held a corporate cultural event with the theme of “Searching for Light with Pioneering Spirit (向光而行·勇攀高峰)” and invited Dr. Tao Yong, chief physician of Ophthalmology of Beijing Chao-yang Hospital, Capital Medical University to share with us the book under the theme.



Case: “China’s Local Leadership” book-reading sharing activity

On September 15, the FICC Department and CICC Institute jointly held a book-reading sharing activity under the theme of “China’s Local Leadership (中國本土領導力)”. Gong Yuzhen, Professor from National School of Development of Peking University, was invited as the guest speaker.



06



Undertaking Social Responsibility

CICC has been fulfilling its social responsibilities under the concept of harmonious coexistence and sustainable development. In response to national strategies, the Company cares for people's livelihood and makes efforts in promoting rural revitalization based on its business advantages. We attaches great importance to the construction of public welfare culture, and actively participates in charity and public welfare events by carrying out educational assistance including donations for education and voluntary teaching.

Our Performance

Participation in charity and volunteer activities

3,440 person-times

31 events

Total time of charity and volunteer activities amounted to

959 hours

Amount of donations to external parties

over RMB **50.6** million



06 Undertaking Social Responsibility

6.1 SUPPORTING RURAL REVITALIZATION

The Company resolutely implemented the decisions and arrangements of the CPC Central Committee and the State Council regarding strengthening the effective connection between the achievements of poverty alleviation and the rural revitalization. With assistance in education, consumption, and people's livelihood and other forms, we have continuously assisted Huining County of Gansu Province, Guzhang County of Hunan Province, Yuexi County of Anhui Province, and Kaizhou District (formerly known as Kai County) and Fengjie County of Chongqing City to consolidate the achievements of poverty alleviation with a view to creating the characteristics of "investment + investment bank + research + public welfare", and promoting the rural revitalization.



Financial assistance	<ul style="list-style-type: none"> Providing microfinance loans. We promoted collaboration with Chongho Bridge Management Limited (中和農信項目管理公司), providing microfinance loans to low- and middle-income farmers in rural areas of Huining County to help develop production and improve income, granting loans of over RMB3 million and benefiting over 100 farmers.
People's livelihood assistance	<ul style="list-style-type: none"> Assisting in medical treatment. We invested RMB600,000 as "Medical Aid Funds to Prevent Poverty due to Illness (防因病返貧醫療救助資金)", aiming to improve the anti-risk ability of low-income people in Guzhang County and prevent them from returning to poverty due to illness. Caring for women and children. We invested RMB100,000 as "Women's Training and Rights Protection Aid Funds" to care for women and children from difficult families, left-behind children and empty nesters in Guzhang County. The fund also provides financial support to rural women who have the will and ability for development, or to low-income women in urban areas, or to rural women who actively participate in grassroots social governance in pilot villages. Caring for the elderly. We invested RMB100,000 to finance the program of supporting the elderly in Xinghe County, Inner Mongolia.
Education assistance	<ul style="list-style-type: none"> We supported the construction of the laboratory complex in Huining No.1 Middle School. We established a long-acting mechanism to solve relative poverty through educational assistance and consolidate the achievements of poverty alleviation in Huining County. We set up a long-term "CICC Teacher Development Fund" at Beijing Daxing Dandelion School. As of the end of the Reporting Period, the "CICC Outstanding Staff Award" was awarded to 516 faculty members in Dandelion School. We supported the on-going implementation of the "China Reach" program in Huining County. In 2022, the project provided 65 employment positions (supervisors/home visitors) in the local regions. There were 621 registered children in the project, and the cumulative number of children benefited was 2,150. There were 725 registered children in the Guzhang County project, and the cumulative number of children benefited was 1,244. Guzhang County project provided 78 employment positions (supervisor/home visitor) in local regions. We built 20 "CICC-Jiuyang Charity Kitchens (中金-九陽公益廚房)" in Huining and Wushan County, Gansu Province, Yuexi County, Anhui Province, and Maixieti Primary School in Atushi City, Kizilsu Kirgiz Autonomous Prefecture, Xinjiang Province, to improve the kitchen conditions of local schools, enhance the implementation capacity and nutritional security capacity of the rural school nutrition improvement plan, and contribute to the healthy growth of students. The project helped 11,000 teachers and students. By 2022, there were 17 teacher training sessions under the "Mountain Village Kindergarten Project Volunteer Teachers Development Fund" with more than 1,000 people received training. We continued to carry out the book donation activities. We invested RMB50,000 to purchase more than 1,470 pieces of superior extracurricular reading materials for donation to Yong'an Middle School in Fengjie, benefiting about 8,500 students.

06 Undertaking Social Responsibility



Consumption assistance

- Implementing bidirectional assistance. We invested RMB100,000 in the purchase of 11,400 catties of high-quality characteristic agricultural navel oranges in Fengjie, Chongqing and donated them to Beijing Daxing Dandelion School, one of the Foundation's long-standing support schools in the next year through the "Sunny Days with Oranges (遇見美好前橙)" activity.
- We invested RMB100,000 to purchase 2,300 catties of high-quality characteristic agricultural brown sugar in Kaizhou, Chongqing, and donated the same to the Tibet Maternal and Child Healthcare Association and the Women's Federation of Tibet Autonomous Region. We continued to carry out "Warm Tibet Program (暖藏計劃)" and gave support to the Tibetan in Nimu, Naqu, and the Senburi relocation site in Konggar County, Shannan City.
- We purchased high-quality rice from Guzhang County, Hunan Province, high-quality camellia seed oil and shredded bamboo shoots from Yuexi County, Anhui Province, both of which were counties supported by paired poverty alleviation programme, and subsequently donated the same to 13 local middle schools (including the schools where the "CICC-Jiuyang Charity Kitchens" project serves lunch and dinner) through Education Bureau of Huining County, benefiting 1,607 students.

2022 "China Reach" Home Visit



Picture: Nimu-Shannan Senburi Relocation Site, Tibet



Picture: 2022 "China Reach" Home Visit in Huining, Gansu

2022 "Warm Tibet Action (暖藏行動)" by CICC Charity Foundation

In January 2022, CICC Charity Foundation launched a charity auction for "Caring for Mothers and Children in Tibet", raised funds to purchase a vehicle for the Tibet Autonomous Region Maternal and Child Healthcare Association, assisted in the training for rural doctors and the carrying out of the China Reach project, thus supporting the Warm Tibet Action. In May 2022, the CICC Warm Tibet Action reached Senburi relocation site to deliver Xinjiang red dates for the local people under the consumption assistance program.



Picture: CICC Warm Tibet Action

6.2 PARTICIPATING IN PUBLIC WELFARE

The Company has always been committing to performing the corporate social responsibility, actively participated in social charity activities, and explored and innovated the development model of public welfare. We included employees' participation in public welfare and charity activities and their fulfillment of social responsibilities into the year-end performance appraisal to provide guarantees for creating a strong cultural atmosphere for public welfare and assisting in fulfilling corporate social responsibilities.

• Awards

During the Reporting Period, the Company was awarded the "China Red Cross Universal Fraternity Medal (中國紅十字博愛獎章)" by the Red Cross Society of China. CICC Charity Foundation was awarded the "China Red Cross Dedication Medal (中國紅十字奉獻獎章)" by the Red Cross Society of China.

• Charity activities

The Company invited senior specialists in the field of voluntary service and arranged 5 special voluntary service trainings and sharing seminars for volunteers throughout the year. The total training time was 10.5 hours during which a total of about 1,140 volunteers participated in the training. During the Reporting Period, the Company focused on the construction of a volunteer service system and there were more

than 800 registered volunteers thereunder as of the end of the Reporting Period. The volunteer service platform is gathering more charitable forces. More and more CICC people are voluntarily participating in charity and public welfare undertakings, which also drives the active participation of family members, former employees and "CICC charity partners (中金愛心夥伴)".

During the Reporting Period, the Company united CICC volunteers for public welfare and carried out diversified public welfare and volunteer service activities in the fields of education, environmental protection and natural disaster relief. We organized public welfare activities including the "First Class of School (開學第一課)", "Celebrate Children's Day and Grow with Nature (歡慶六一 我與自然共成長)", "SAC - Love Makes Dreams Happen (中證-愛心成就夢想)" education support activities in Xi County, Shanxi, and "Building Dreams (繪夢計畫)" for children to care for the future of our country. In response to the "Carbon Peak and Carbon Neutrality" goal, we launched the "CICC Public Welfare Project for Ecological Carbon Sink Forests" in Lanping, Yunnan, to continue to practice environmental protection. We assisted people facing natural disasters by organizing a fund-raising campaign called "Supporting Sichuan with Concerted Efforts" to raise money for post-disaster reconstruction, reflecting our responsibility.

Case: First Class of School

CICC organized volunteers to visit the Anjiazao School in Shanxi, and Jingxing Primary School in Lingwu, Ningxia which have been supported for a long time in the spring



Picture: First Class of Jingxing Primary School in Lingwu, Ningxia

and fall school seasons, bringing the children well-prepared courses in relation to music, sports, arts, science and financial enlightenment.



Picture: First Class of Anjiazao School in Shanxi

06 Undertaking Social Responsibility

Case: "Warm Winter Action"

CIC, CICC, NCI and China Reinsurance Group jointly sent clothes to the children in the 5 schools which have been long supported by CICC Charity Foundation and the village schools/kindergartens in the counties assisted by China Reinsurance Group and NCI. CICC Charity

Foundation continued to be responsible for the project implementation, and a total of 11,000 people from the four companies enthusiastically participated in the fundraising, raising RMB1,002,000.

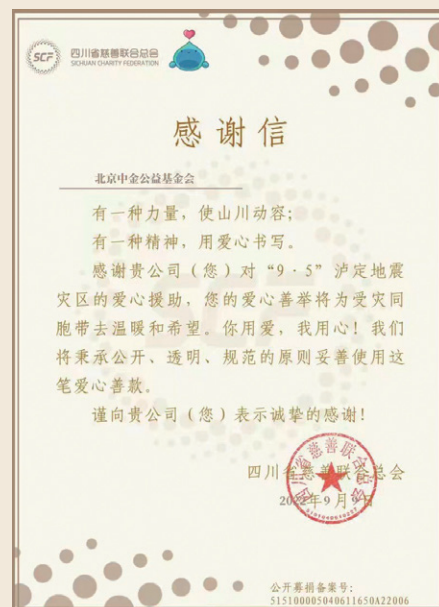


Picture: "Warm Winter Action" in Anjiazao School in Shanxi



Case: "Supporting Sichuan in concerted efforts"

CICC carried out endowment for Sichuan to raise funds for post-disaster reconstruction. With the positive response of CICC employees, a total of 1,734 people participated in the fundraising. On September 9, 2022, our foundation donated RMB1 million (including employee donations and matching donations from our foundation) to the Sichuan Charity Federation, which will be available for designated purposes of related emergency response, disaster relief and post-disaster reconstruction work.



Case: “Rural Doctor Training” Program

CICC has continued to fund the “Rural Doctor Training” Program initiated by the Tibet Maternal-infant Health Care Association, which is committed to enhancing the professional skills of rural medical workers, so as to promote the development of maternal-infant health care

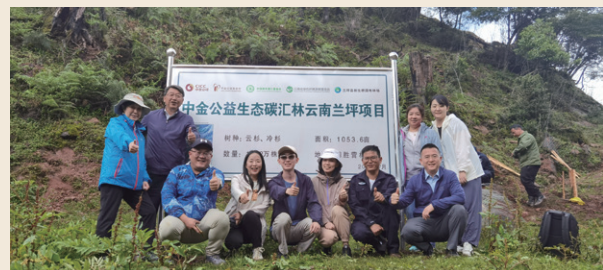
in rural areas of Tibet. As of the end of the Reporting Period, the “Rural Doctor Training” Program has offered a total of 81 training courses since the initiation of the Program in 2013, with a cumulative participation of 3,944 medical workers at village level, of which more than 50% are village doctors from remote rural and pastoral areas.



Picture: 2022 Advanced Training Course for Rural Doctors in Shannan, Tibet (Phase I)

Case: “Ecological Carbon Forest of CICC Charity Foundation”

In January 2022, CICC Charity Foundation and China Green Carbon Foundation entered into a *Memorandum for Strategic Cooperation*, intending to carry out the demonstrations for ecological carbon sequestration forest projects for public welfare/carbon neutrality forest project in multiple regions. In July 2022, the “Ecological Carbon Forest of CICC Charity Foundation” Lanping Project in Yunnan was launched, which planted 62,000 spruces and 50,000 firs in high-altitude mountains with a total operating area of 1,053.6 mu to restore the damaged alpine ecological environment. In addition, the project also has multiple benefits such as climate change mitigation and adaptation, water conservation, biodiversity advantages, sustainable community development and rural revitalization advantages, and will generate an important impact on the protection of Yunnan snub-nosed monkeys in the future.



Picture: The Startup and Inauguration Ceremony for Yunnan Lanping Project under Ecological Carbon Forest of CICC Charity Foundation

06 Undertaking Social Responsibility

• Capital Healthtech Incubation Engineering Foundation

During the Reporting Period, the Company launched and established the Capital Healthtech Incubation Engineering Foundation (首都醫療科技成果轉化公益基金會) (hereinafter referred to as the "CHIF"), which promotes the reform of medical achievements transformation in hospitals and medical colleges by establishing a public welfare fund-raising mechanism and a professional support system for medical achievements transformation, and comprehensively promotes the transformation of medical scientific and technological achievements in the capital and the innovative development of health care in Beijing through scientific and standardized support for achievement transformation projects, relevant talent construction, and the construction of medical achievement transformation platforms.

Since its establishment, the CHIF has completed a number of internal systems such as the *Measures on the Donation Management of the Capital Healthtech Incubation Engineering Foundation* (《首都醫療科技成果轉化公益基金會捐贈管理辦法》) and *Measures on the Donation Project Management of the Capital Healthtech Incubation Engineering Foundation* (《首都醫療科技成果轉化公益基金會捐贈項目管理辦法》). Through comparative research on the development of domestic and foreign scientific and technological achievement transformation and the operation mode of public welfare foundation, the CHIF conducted field research on 15 hospitals and one medical school in Beijing and carried out interviews with

67 key achievement transformation projects. It formulated *Report on Analysis of Transformation of Domestic and Foreign Medical Achievements*, *Report on Feasibility of Public Welfare Foundation to Promote Scientific and Technological Innovation* and *Project Research and Evaluation Report* and other reports, totaling 280,000 words, which laid a solid foundation for realizing the reform of transformation of medical scientific and technological achievements in the capital through public welfare foundation and professional transformation service platform.

Since its establishment, the CHIF has participated in the discussion and formulation of reform policies, focused on addressing the bottlenecks and problems that restrict the transformation of achievements, and assisted in the formation of a pilot plan for the transformation of medical innovation results in municipal pilot hospitals, which provided policy support for the smooth implementation of the transformation of scientific and technological achievements. By studying and interviewing 44 projects in the pilot hospitals, it put forward the first batch of incubation plans for 9 projects and suggested corresponding incubation methods. During the Reporting Period, it identified a total of three donation projects in supporting the incubation projects of pilot hospitals and the construction of professional service platforms for transformation.

Appendix: ESG Index



Scope	Content	Page of Disclosure
A1 Emissions	<p>General Disclosure</p> <p>Information on:</p> <ul style="list-style-type: none"> (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. <p>Note: ① Air emissions include NO_x, SO_x, and other pollutants regulated under national laws and regulations.</p> <p>② Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.</p> <p>③ Hazardous wastes are those defined by national regulations.</p>	P22
	A1.1 The types of emissions and respective emissions data.	P26
	A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P26
	A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P26
	A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P26
	A1.5 Description of emissions target(s) set and steps taken to achieve them.	P20
	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.	P23
A2 Use of Resources	<p>General Disclosure</p> <p>Policies on the efficient use of resources, including energy, water and other raw materials.</p> <p>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</p>	P22
	A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	P26
	A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	P26
	A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	P22
	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.	P22
	A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	N/A

Appendix: ESG Index



Scope	Content	Page of Disclosure
A3 The Environment and Natural Resources	<p>General Disclosure</p> <p>Policies on minimising the issuer's significant impacts on the environment and natural resources.</p> <p>A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.</p>	<p>Based on the nature of office business of the Company, our operation mainly involves the emissions and resource consumption other than any impact on the environment and natural resources; our business activities mainly involve green finance-related business and services (P27-P47) which have a positive impact on the environment and natural resources.</p>
A4 Climate Change	<p>General Disclosure</p> <p>Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.</p> <p>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.</p>	<p>P19-P21</p> <p>P19-P21</p>
B1 Employment	<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(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.</p> <p>B1.1 Total workforce by gender, employment type (for example, full- or part time), age group and geographical region.</p> <p>B1.2 Employee turnover rate by gender, age group and geographical region.</p>	<p>P60, P62</p> <p>P61</p> <p>P61</p>



Scope	Content	Page of Disclosure
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.	P67
	B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	P69
	B2.2 Lost days due to work injury.	P69
	B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	P67
B3 Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	P62
	B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	P66
	B3.2 The average training hours completed per employee by gender and employee category.	P66
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.	P60
	B4.1 Description of measures to review employment practices to avoid child and forced labour.	P60
	B4.2 Description of steps taken to eliminate such practices when discovered.	P60
B5 Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	P17
	B5.1 Number of suppliers by geographical region.	P17
	B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	P17
	B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	P17
	B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	P17

Appendix: ESG Index



Scope	Content	Page of Disclosure
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.	P49-P58
	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	N/A
	B6.2 Number of products and service related complaints received and how they are dealt with.	P57
	B6.3 Description of practices relating to observing and protecting intellectual property rights.	P55
	B6.4 Description of quality assurance process and recall procedures.	N/A
	B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	P49-P51
B7 Anti-corruption	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 bribery, extortion, fraud and money laundering.	P15-P16
	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.	P15
	B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	P15
	B7.3 Description of anti-corruption training provided to directors and staff.	P15
B8 Community Investment	General Disclosure 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.	P70-P76
	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	P70-P76
	B8.2 Resources contributed (e.g. money or time) to the focus area.	P70-P76

