

CICC
中金公司

China International Capital Corporation Limited

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

Stock code: 3908



2023

Social Responsibility,
and Environmental, Social
and Governance Report

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About This Report

REPORTING SCOPE:

Data and facts involved herein cover 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, 2023 to December 31, 2023. Some contents may be extended to 2024 to make this report more comparable and forward looking.

PREPARATION BASIS:

This report was prepared in accordance with the *Environmental, Social and Governance Reporting Guide* as set out in Appendix C2 of the *Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited* and with reference to the *GRI Sustainability Reporting Standards* issued by the Global Sustainability Standards Board (GSSB).

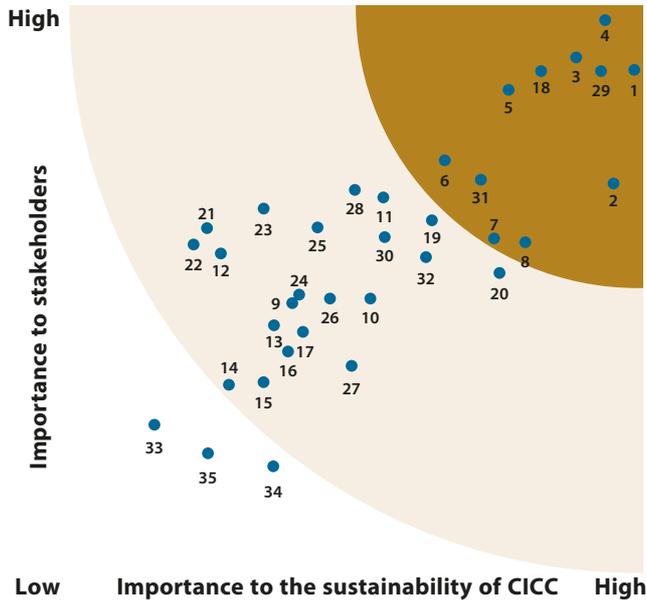
PREPARATION PRINCIPLES:

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.



Degree	2023 Issues	
Issues of high materiality (11)	1. Operation according to laws and regulations	2. Comprehensive risk management and control
	3. Integrity management	4. Brand image
	5. Sound corporate governance	6. Occupational safety and health
	7. Security, compliance and transparency of financial products	8. Financial information security and protection
	18. Development and training of employees	29. Protection of customer privacy
	31. Responsible investment	

Issues of moderate materiality (21)	9. ESG management	10. Management of ESG risks
	11. Growth of profit	12. Green office and operation
	13. Promoting environmental awareness of employees	14. Charity activities
	15. Popular education on financial knowledge	16. Care and assistance for employees
	17. Avoiding forced and child labor	19. Protection of employee rights and interests
	20. Equal and compliant employment	21. Assessment of environmental and social impacts of suppliers
	22. Intellectual property protection	23. Selection and assessment of compliant suppliers
	24. Responsible marketing	25. Customer feedback
	26. Influential financial products and services	27. Innovation and development of FinTech
	28. Fair and open procurement procedure	30. Optimizing customer services
	32. Green financial products and services	
Issues of general materiality (3)	33. Climate change response	34. Rural revitalization activities
	35. Volunteer activities	

About This Report

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").

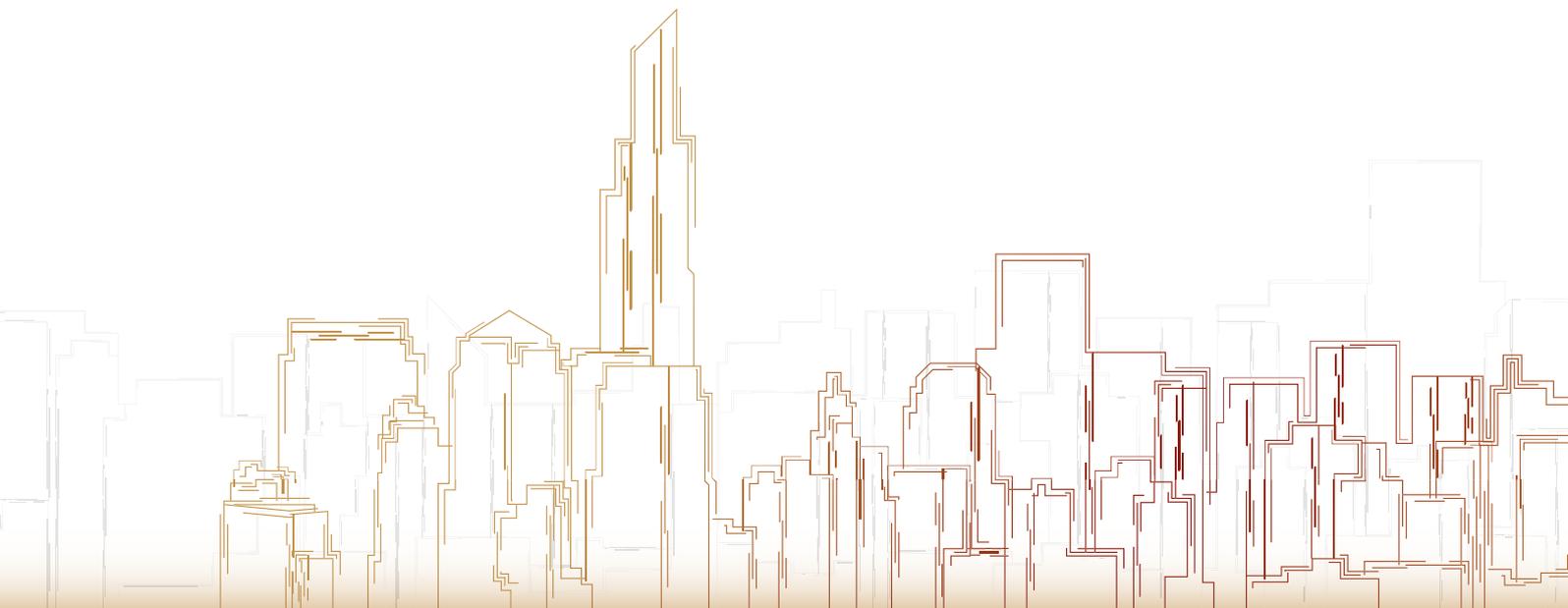
REPORT FORMAT:

This report is released in an electronic version, and can be downloaded on the websites of The Stock Exchange of Hong Kong Limited (website: <http://www.hkexnews.hk>), Shanghai Stock Exchange (website: <http://www.sse.com.cn>) and the Company (website: <http://www.cicc.com>).

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Message from Our Management

Over the past year, against the complex and ever-changing internal and external environments and market situations, despite the ups and downs, we have forged ahead and fulfilled our mission of making China a financial power based on our main responsibilities and principal businesses. We have further optimized important strategic initiatives including internationalization, regionalization, digitalization, and One CICC with high-quality development. From consolidating the foundation of responsibility to supporting green development, and from supporting the real economy to serving rural revitalization, we unswervingly follow the path of financial development with Chinese characteristics, and help the grand goal gradually become a beautiful reality with actions.

Being responsible for steady and long-term development.

Under the guidance of the national strategy, to implement the concept of sustainable development has become an inevitable choice for financial enterprises to enhance their competitiveness. CICC has continuously strengthened the top-level design of ESG governance, enhanced ESG risk management capabilities, and cultivated an ESG corporate culture to better respond to complex and volatile external situation and embrace opportunities from sustainable development. In 2023, MSCI ESG rating of CICC maintained at A, a leading level among its global peers.

Pursuing green development that prioritizes environmental conservation and protection.

In line with the development requirements of the global green transformation and the national strategy of carbon peak and carbon neutrality, CICC has not only improved its ability to respond to climate change and practiced green philosophy operations, but also improved the climate risk management system as a way to improve the climate risk management and quantification capability of the Company in an all-round way and made full use of the important role of the financial market in resource allocation, helping expand the layout of green and low-carbon industries and enrich green financial products. In addition, we have expanded our domestic carbon trading business, further deployed domestic pilot carbon market trading, and enhanced our green service capabilities in an all-round way.

Finance benefiting the people and serving the real economy.

Serving entities and benefiting people's livelihood is the mission and responsibility of CICC. CICC strives to play a pivotal role in connecting the real economy and the capital market, and by expanding channels and enriching forms, make tangible achievements in inclusive finance so as to make greater contributions to high-quality development of the real economy and growth of small and medium enterprises

with higher quality and more efficient financial services, and help China shape new development momentum and new advantages.

Being down-to-earth and improving service quality.

CICC is committed to delivering warm financial service to clients with professional capabilities and innovative spirit. Combined with our in-depth understanding of the international and domestic markets, we have formed a comprehensive business layout and client coverage to meet the diverse needs of clients. Meanwhile, we continue to go deep into villages and campuses to carry out investor education through multiple channels and forms to help expand communication channels of investment education.

By the people to escort our growth.

We have always adhered to the original mission of "by the people and for the nation". We regard talents as the first resource and the key to promoting the high-quality development of the cause, and constantly promote the construction of the talent team to a new level. We strive to build a sustainable human resource management system for the future of finance, the future of enterprises and the future of talents, so as to provide a source power for the enterprise to grow. With our outstanding performance, we have won a number of employer brand awards.

Creating and sharing together, and repaying the society.

After 10 years of exploration and piloting, CICC Charity Foundation has gradually transformed from focusing on public welfare funding in the early days to deeply participating in the innovative promotion, research and implementation and full-cycle operation of public welfare projects in various fields including education, medical care, and environmental protection. In the field of rural revitalization, we also keep giving full play to the advantages of financial assistance, and deepen the research on rural revitalization to make contribution to the development of the countryside with financial strength.

In the future, CICC will continue to uphold the philosophy of "By the People and for the Nation, Chinese Roots and International Reach", embracing professionalism and responsibility. Focused on excelling in five major areas – technology finance, green finance, inclusive finance, pension finance and digital finance – we are committed to providing top-notch comprehensive financial services for clients and society. We leverage our financial strengths to fulfill corporate social responsibility, advancing with determination and contributing significant financial power to high-quality economic and social development.

About the Company

COMPANY PROFILE

Headquartered in Beijing, China International Capital Corporation Limited has a number of subsidiaries in Chinese mainland and branches in Shanghai, Shenzhen, Xiamen, Chengdu, Hangzhou, Jinan, Chongqing, Shenyang, Nanjing and Suzhou. In addition, we have over 200 securities business offices nationwide. The Company also actively ventured into overseas markets and has established subsidiaries or branches in seven international financial centers, including Hong Kong of the PRC, New York, London, Singapore, San Francisco, Frankfurt and Tokyo.

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

AWARDS AND HONORS

During the Reporting Period, CICC received the following major awards:

Awards Sponsor	Awards/Honors
Institutional Investor	2023 Asia Executive Team <ul style="list-style-type: none"> All-Asia Banks and Non-Bank Finance Sector Honored Companies (Rank 4) Best ESG (Combined & Buyside Rank 3) Best Company Board (Combined & Buyside Rank 3) <ul style="list-style-type: none"> Chinese Mainland Banks and Non-Bank Finance Sector Honored Companies (Rank 4) Best ESG (Combined & Buyside Rank 3) Best Company Board (Combined & Buyside Rank 3)
Fortune	ESG Influence Ranking of China 2023 (Top 40)
Global Finance	Stars of China 2023 <ul style="list-style-type: none"> Best Bank for Green Bonds
Harvard Business Review	Ram Charan Management Practice Award 2023 <ul style="list-style-type: none"> Best Enterprise for ESG Practice Excellence in Management Award 2023 <ul style="list-style-type: none"> Best for Sustainable Future of the Year
China Media Group	Top 30 ESG Pioneers of China’s Financial Listed Companies 2023
China Association for Public Companies	ESG Practice Cases of Listed Companies Awards 2023 <ul style="list-style-type: none"> Best ESG Practice Cases of Listed Companies Best Practice Cases for Rural Revitalization of Listed Companies Awards 2023 <ul style="list-style-type: none"> Best Practice Cases
China Philanthropy Times	China Charity List 2023 <ul style="list-style-type: none"> Best Foundations of the Year: Beijing CICC Charity Foundation
Caijing	New Awards 2023 <ul style="list-style-type: none"> Best Enterprise for ESG Practice

Awards Sponsor	Awards/Honors
JRJ.com	GoldenWis Awards 2023 • Best ESG Practice Enterprise
NBD	China Securities Business Awards 2023 • Best ESG Securities Companies
China Securities Journal	Best Securities Company Awards 2023 • Best Securities Companies for ESG
The Time Weekly	The 8th Golden Tangerine Awards of Time Finance • Best Financial Institution for Social Responsibility
21st Century Business Herald	Excellent Financial Development Cases Awards 2023 • Best Green Finance Innovation Institution Competitiveness Case of Carbon Neutrality Pioneer Enterprises Awards 2023 • Pioneer Enterprises of Green Finance
Jiemian	2023 Top 60 ESG Pioneers • Best ESG for Green Finance of the Year
Southern Metropolis Daily	Responsible China Award 2023 • Best Enterprise for Rural Revitalization Practice
China Enterprise Reform and Development Society	ESG Development Forum for Enterprises Awards 2023 • Best ESG Enterprise for Rural Revitalization • Best ESG Enterprise for Investment
Capital Market Public Pro Bono Alliance	2023 Excellent Case of Rural Revitalization • Excellent Case of Rural Revitalization
Forbes China	2023 Best Employer Selection • China's Best Employers of the Year • China's Best Employers for Digital Responsibility of the Year
Aon	2023 China Best ESG Employer
Universum	2023 China's Most Attractive Employers Rankings • Best Employer of Investment Banks 2023 College Choice Awards (2023大學生選擇獎): • Corporate Social Responsibility Award
Zhaopin (智聯招聘)	2023 China's Best Employer of the Year • Most Socially Responsible Employer

For more details about the Company's awards and honors, please refer to the "Major Honors Awarded" section of the annual report.

01

Strengthening Responsible Management

Practicing and empowering ESG, CICC has long been actively responding to national development strategies and is committed to integrating ESG governance into business operations and development. On this basis, leveraging on its own specialized characteristics, CICC will give full play to the function of financial institutions in optimizing resource allocation so as to promote the high-quality development of sustainable finance in an all-round way.



01 Strengthening Responsible Management

Respond to the United Nations Sustainable Development Goals (SDGs)	Our Actions
	<p>ESG Management</p> <ul style="list-style-type: none"> • Establish an ESG governance structure covering decision-making, management and execution • Promote the standardized management of ESG related research and information disclosure <p>Corporate Governance</p> <ul style="list-style-type: none"> • Anti-corruption training 32 times, covering 3,011 person-times • Anti-money laundering training 52 times, covering 15,986 person-times

1.1 IMPROVING ESG MANAGEMENT

1.1.1 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 *Environmental, Social and Governance Reporting Guide* of The Stock Exchange of Hong Kong Limited (hereinafter referred to as 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 of 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.

1.1.2 ESG governance system

CICC has elevated ESG matters to an important position in corporate governance, and established an ESG governance structure covering the decision-making, management and executive levels from top to bottom to ensure that ESG matters are fully integrated into the process of fulfilling responsibilities at different levels, thereby improving comprehensive governance of the Company.

In 2023, CICC further sorted out the coordination mechanism of ESG research and rating, refining the standards for the preparation and disclosure workflows to standardize the management of ESG-related research and information disclosure.

ESG Governance Structure of CICC



Decision-making level

- **The Board:** being the highest decision-making body on ESG-related matters, and authorizing the Strategy and ESG Committee under the Board to consider and make decisions on ESG-related matters.
- **The Strategy and ESG Committee:** conducting research on and managing ESG-related policies; providing consultation to and proposals on the decision-making of ESG management issues, including vision, objectives, measures, etc.; reviewing the ESG report of the Company and submitting proposals to the Board; urging the Company to strengthen communication with stakeholders in connection with important ESG issues; paying attention to material ESG-related risks; urging the Company to implement the objectives of the national dual carbon strategy, and managing its progress.

Management level

- **ESG Committee:** being responsible for the unified management and coordination of ESG work in line with the policies and guidelines of the Board and the Strategy and ESG Committee, and reporting to the Board and the Strategy and ESG Committee on a regular basis.

Execution level

- **ESG Office:** improving ESG-related management systems and policies; keeping an eye on the trend in the ESG field, coordinating with relevant departments and branches to research, grasp ESG-related business opportunities and implement specific work; strengthening ESG-related internal culture advocacy and external brand promotion.
- **ESG Working Group:** contributing to the new ESG practices of the Company by focusing on low-carbon concept and environmental protection, innovation-driven growth, employee development, serving the society and brand building.



1.1.3 Communication with stakeholders

For a long time, CICC has been in close contact with internal and external stakeholders to proactively understand their views, demands and expectations through open and transparent channels, and has responded to them in a timely and adequate manner. During the Reporting Period, we determined the key contents of this report based on regulatory requirements, capital market concerns, peer practices, and the actual operation 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
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

Major stakeholders	Expectations and demands	Communication methods
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"> • Procurement bidding • Signing of contract agreement • Telephone, email and on-site communication
Environment	<ul style="list-style-type: none"> • Developing green finance • Implementing green operation 	<ul style="list-style-type: none"> • Green and low-carbon activities
Community and the public	<ul style="list-style-type: none"> • Social welfare activities • Employee volunteer activities 	<ul style="list-style-type: none"> • Volunteer activities
Media	<ul style="list-style-type: none"> • Maintaining a good brand image and public relations 	<ul style="list-style-type: none"> • Interviews

1.2 ENHANCING 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 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.

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

1.2.1 Risk management

The Company has established an efficient and reasonable management model and a comprehensive and prudent risk management mechanism. Since establishment, the Company has adhered to the concept of combining best international practices with the actual conditions of China, formulated a full set of governance structure and management procedures in line with international standards, and established a vertical management model covering all business operations and internal control of the Company to ensure efficient and effective management. At the same time, we have always adhered to and continuously strengthened the “all staff, whole process, full coverage and penetrating” risk control compliance system and operating mechanism, through which the parent company can conduct integrated vertical management over domestic and overseas subsidiaries and branches, and the same business and the same client can be subject to unified risk management. Therefore, the Company has formed centralized and effective business management and risk control, and unified decision-making, management and resources allocation, thus ensuring the smooth and orderly development of our business and the stable operation of our risk control system.

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. The Company has established a multi-level risk management organizational structure which comprises the Board of Directors, the Supervisory Committee, senior management, departments performing risk management functions, business departments and branches. The Company has actively identified, prudently evaluated, dynamically monitored, timely reported and proactively coped with risks. The Company has 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. Moreover, we place a high emphasis on the application of information technology in internal risk management, continuously enhancing the digitalization of risk management. Actively exploring cutting-edge technologies such as artificial intelligence, we utilize them in scenarios like risk warning to improve the efficiency of risk management.



We fully consider ESG risk factors in business. For example, in terms of environmental factors, we attach great importance to risk management and control in the “high pollution and high energy consumption” sectors (hereinafter referred to as “Two Highs”), exercise strict investment, and focus on whether the relevant investment and financing business involves the “Two Highs” projects in our daily business control; in terms of social factors, we pay attention to negative information and public opinions on the target company; and the information on public penalties, performance of Directors, Supervisors and senior management, financial fraud and other information 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. Related business segments, including asset management, are also gradually improving their ESG risk management systems to cover the entire business process. We organize and carry out internal training on climate change to provide research support for the formulation of the Company’s *Climate Risk Management Policy*. In addition, we carry out training and sharing on topics such as ESG framework and CICC’s ESG rating, shaping the ESG risk management culture and cultivating employees’ awareness and professional skills.

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.

1.2.2 Ensure compliance and integrity

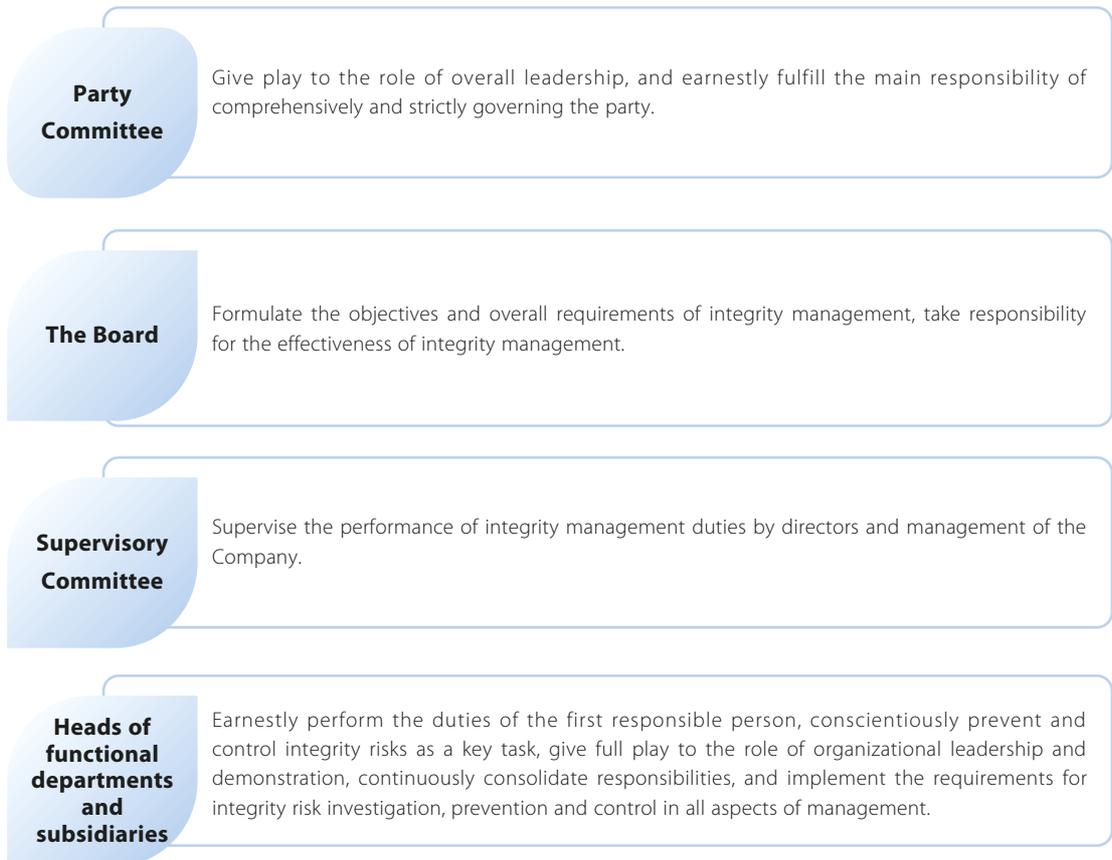
CICC has strictly complied with the *Securities Law of the PRC*, the *Administrative Measures on Compliance of Securities Firms and Securities Investment Fund Management Companies* (《證券公司和證券投資基金管理公司合規管理辦法》) and other laws, regulations and normative guidance, and has established the *Compliance Management Policy*, which 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, supplemented by the *Policy on the Management of Incorruptible Working* (《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 a series of anti-money laundering system policies to jointly develop a compliance management system covering all business areas.

We manage compliance around each business line in going global, and applying information technology. In accordance with the principle of vertical control, the Company has established an integrated compliance management mechanism for all business departments at the headquarters and branches. At the same time, it has established a vertical management and continuous supervision mechanism for the compliance management of overseas subsidiaries by the headquarters, and regularly conducts compliance supervision on all relevant business lines, including integrity matters, every year. In terms of informatization of the compliance management mechanism, we proceed compliance monitoring and compliance management in a systematic, automatic and intellect manner through scientific and technological means to continuously connect the compliance management system and the Company’s business system so as to improve the accuracy of system monitoring. The efficiency and level of compliance management have been enhanced through advanced technological means.

Integrity management

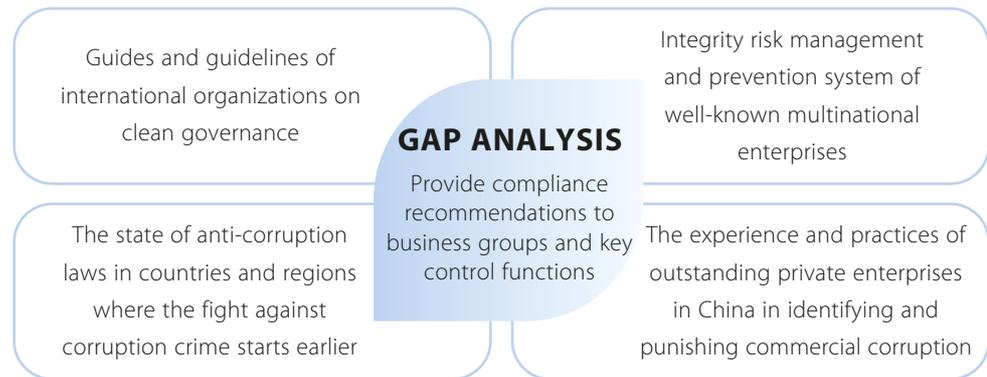
CICC clarifies the rights and responsibilities of the Party Committee, the Board and the management in terms of integrity risks, strengthens organizational leadership, and further promotes the construction of the integrity and compliance system. While strengthening the information exchange among internal departments and collaboratively building a pattern of integrity risk supervision, we have set up a special working group on integrity and compliance, and formed a special agile working group across business groups, which take the lead in carrying out benchmarking, case analysis, gap diagnosis, improvement and implementation related to integrity and compliance, as a way to promote all business lines and functional departments of the Company to sort out integrity risks and implement control requirements in light of specific conditions.

Integrity and Compliance Governance Structure



Combined with the latest regulatory requirements, the Company revised the *Policy on the Management of Incorruptible Working* and upgraded it to a first-level system, which was considered and approved by the Board of the Company in January 2024. The latest system further clarifies the objectives and overall requirements of the Company's integrity management.

Carrying out Gap Analysis of Integrity Management to Prevent and Control Integrity Risk



The clean and honest practices of CICC

CICC has zero tolerance for any form of corruption, bribery and other unclean practices, and strives to prevent and curb corruption and bribery through implementing and enforcing effective policies and mechanisms. The Company has established relevant policies and mechanisms for honest practice, requiring all employees (including regular employees and other personnel dispatched to the Company):

- To strictly abide by laws and regulations, regulatory provisions and industry self-discipline regulations, social morality, business ethics, professional ethics and code of conduct, adopt fair competition and compliance practice, and be loyal, diligent, honest and trustworthy.
- To be familiar with and ensure compliance with the requirements of integrity and do not convey or seek improper benefits in any way.
- To strictly keep the inside information, undisclosed information, customer information, trade secrets, etc. learned in the course of practice, and do not use them to convey or seek improper benefits.
- In the course of business and related activities, not to convey improper benefits to civil servants, customers, potential customers or other stakeholders in any form.
- Strictly not to engage in corruption or bribery and other unethical acts through third parties in any form, and to properly identify, disclose and avoid conflicts of interests.

If an employee fails to comply with the requirements of the Company's integrity policy, the Company will take disciplinary action and serious accountability in accordance with policies of the Company including employee handbook and accountability system.

• **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, which comprehensively covers anti-money laundering management, customer due diligence, assessment on customer money laundering risk and classification management, monitoring report on suspicious transactions, list monitoring, freezing of terrorism-related assets, assistant investigation and management of anti-money laundering, institutional money laundering risk self-assessment, emergency management of major anti-money laundering emergencies, anti-money laundering publicity and training, anti-money laundering confidentiality, and anti-money laundering evaluation and accountability. The relevant subsidiaries have established a number of anti-money laundering internal control systems at the subsidiary level with reference to those of the parent company, and in combination with the laws, regulations, regulatory requirements of the countries (regions) where they are located, as well as their actual business situation.

In 2023, the Company focused on standardizing and improving the work processes in key areas of anti-money laundering, which included the formulation or revision of five anti-money laundering internal control systems such as the *Operational Guidelines for the Screening of Anti-Money Laundering and Anti-Terrorist Financing Lists and Sanctions Lists of the Company* (《公司反洗錢和反恐怖融資名單及制裁名單篩查操作指引》). All business lines are also gradually advancing the integration of anti-money laundering requirements into management systems and operational processes.

CICC and its subsidiaries with anti-money laundering obligations have established a well-organized, well-structured and well-defined money laundering risk management system, which is divided into “board of directors and supervisors” – “senior management” – “anti-money laundering leading group” – “headquarters departments” – “branches” from top to bottom. The Company has set up a special anti-money laundering team, and each business department and branch has set up full-time and part-time anti-money laundering personnel to ensure various tasks are implemented orderly. The Company and its subsidiaries have established mechanisms including anti-money laundering internal audit, anti-money laundering compliance inspection, and anti-money laundering evaluation and accountability, and have effectively taken measures to prevent money laundering risk including customer due diligence, customer identity information and transaction record keeping, suspicious transaction monitoring, and list monitoring, and strengthened the application of internal and external audits, compliance inspections, institutional money laundering risk self-assessment, money laundering risk information sharing and other supervision and management measures to prevent money laundering and related illegal and criminal activities.



- **Refine reporting mechanisms**

We hope that our employees, business partners, counterparties and suppliers, third-party service providers and other partners will resolutely resist corrupt practices such as bribery and corruption, and work with CICC to create a clean, fair and honest market environment. We encourage all relevant parties to report to CICC's dedicated email address zj_xfjb@cicc.com.cn for complaints and reports when they discover relevant behaviors, and the dedicated department will be responsible for checking the content of the reports received and following up on them. The Company has publicized the above-mentioned email address on its official website, and added integrity clauses to business contracts and commercial contracts, and clearly informed the relevant parties of the complaint and reporting channels.

In addition, the Company attaches great importance to the protection of whistleblowers, and has formulated the *Professional Integrity Report Management Regulations* (《廉潔從業舉報管理辦法》) and other internal systems to keep confidential the information of whistleblowers and the relevant materials provided by strict confidentiality measures and procedures, and strictly prohibit all kinds of retaliation.

- **Construction of compliance and integrity culture**

Compliance training is one of the important means for the Company to cultivate a compliance culture. The Company continues to carry out compliance training for employees, and supervises the implementation of various requirements for compliance training by various departments, branches and subsidiaries in combination with compliance management in terms of compliance review, compliance inspection and compliance monitoring.

We conduct online and offline onboarding training on compliance for new employees (including interns) in each business line. Meanwhile, the compliance management personnel of each business line conduct special compliance training for all employees (including regular employees and other personnel dispatched to the Company) in light of the latest laws and regulations, regulatory trends, company systems and actual business needs.

During the Reporting Period, 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.

Integrity

- Strengthen the promotion of integrity and compliance, and timely publish securities penalty cases and typical cases of violating laws and regulations in the financial sector through the Company's internal corporate WeChat official account "CICC Legal Compliance" (中金法律合規).
- Carry out special publicity themed "Integrity and Compliance Month", focusing on publicizing the normative requirements and typical cases covering the management of integrity practice and the integrity practice of each business line.
- Carry out the activity of "Solicitation of Integrity and Compliant Literary and Artistic Works" from all employees, and conduct selection.

Anti-money laundering

- The training targets cover directors, supervisors, senior management and all employees (including regular employees, other personnel dispatched to the Company, etc.).
- Through on-site training, online training, publicity on the enterprise WeChat official account and other forms, timely convey the latest anti-money laundering laws and regulations and the Company's internal control requirements, and design differentiated training content for personnel at different levels and positions.
- In 2023, a total of 52 anti-money laundering trainings were conducted, covering 15,986 person-times.

01

Name of indicator

Unit

Figures in 2023

Total number of anti-corruption training	Time	32
The total number of persons trained in anti-corruption	Person-time	3,011

Supply chain management

CICC strictly abides by the *Tendering and Bidding Law of the People's Republic of China*, the *Regulations for the Implementation of the Tendering and Bidding Law of the People's Republic of China* and other laws and regulations, conducts procurement activities based on the principles of openness, fairness, impartiality, honesty and efficiency, and is committed to creating a healthy and sustainable competitive environment for external suppliers.

We have integrated the best practices of procurement compliance and procurement management of state-owned financial enterprises, continuously strengthened the breadth and depth of procurement management, and formulated the *Procurement Policy* (《採購政策》), the *Administrative Measures for Centralized Procurement* (《集中採購管理辦法》), the *Implementation Rules for Supplier Performance Evaluation* (《供應商績效評估實施細則》) and other systems to implement procurement in a standard manner and strictly control procurement risks.

01 Strengthening Responsible Management

We collect and analyze data on supplier qualification, delivery quality, cost, service and other dimensions at different stages of the procurement life cycle, and carry out comprehensive management of supplier access, performance evaluation, and grading.

Major Supplier Management Procedures

Selection

- It should meet a number of basic conditions, such as “having the necessary equipment and professional and technical ability to perform the contract, and the goods or services provided meeting the national and industry standards for technology, safety and environmental protection and the requirements of the purchaser”.

Evaluation

- Every year, the procurement demand department or functional control department are organized to jointly complete the performance evaluation of core suppliers as a way to continuously improve the service quality and cooperation of suppliers.

Environmental and social risk management

- Relevant risk management and control are clearly stipulated in the *Procurement Policy*, the *Administrative Measures for Centralized Procurement*, the *Implementation Rules for Supplier Performance Evaluation* and other systems. In 2023, CICC included sustainable procurement clauses in procurement contract templates, requiring suppliers to conduct and plan to conduct their businesses in accordance with the sustainable procurement principles of CICC and to comply with all applicable laws regarding ethical and responsible standards of conduct, including laws on environmental sustainability, safety and health, social responsibility, and business integrity and ethics.
- In the process of soliciting suitable procurement project proposals, we have piloted the inclusion of ESG-related scoring items to convey CICC’s expectation that suppliers will practice ESG principles.

Major Supplier Management Procedures (Continued)

Integrity risk management

- The Company clearly stipulates the possible corruption risks in procurement in the *Procurement Policy*, the *Administrative Measures for Centralized Procurement*, the *Implementation Rules for Supplier Performance Evaluation*, and the *Letter of Commitment for Integrity and Anti-Commercial Bribery of CICC Partners* (《中金合作夥伴陽光誠信暨反商業賄賂承諾書》) to strictly restrict violations in procurement activities.
- These regulations apply to all suppliers.

Supervision and training

- We continuously monitor the performance of suppliers, including environmental, social and integrity aspects, and clearly stipulate supplier downgrades and exits.
- We will work with the supplier whose evaluation results are in need of improvement to formulate improvement measures.

Name of indicator	Figures in 2023
Number of suppliers	2,403
Including: Number of domestic suppliers (including Hong Kong, Macao and Taiwan)	2,025
Number of overseas suppliers	378
Number of suppliers implementing relevant practices	2,403



02

Commitment to Green Development



CICC has always adhered to the concept of sustainable development, actively responded to the call of the country, leveraged its industry attributes and its own development advantages to empower the green development strategy, and worked with stakeholders at all levels including management, operation and practice to contribute to the achievement of the carbon peak and carbon neutrality.



02 Commitment to Green Development

Respond to the United Nations Sustainable Development Goals (SDGs)	Our Actions
  	<ul style="list-style-type: none"> • Continue to improve the work related to climate risk management • Practice the concept of low-carbon and environmental protection in the office process • Vigorously develop green and sustainable investment and financing products and services

2.1 RESPONDING TO CLIMATE CHANGE

Extreme weather events caused by climate change have gradually become a “new normal”. Green and low-carbon transformation has become a global consensus. China continues to advance the top-level design to respond to climate change as a way to protect the earth’s ecological environment with other countries.

CICC has incorporated climate risk into its comprehensive risk management system, and has established a climate risk management system that is commensurate with the strategic objectives and the complexity of climate-related risks of the Company. Meanwhile, the Company has formulated and released the *Climate Risk Management Policy*, which determines the organizational structure and mechanism of climate risk management, and clearly requires all departments to fully consider climate dependency and potential climate risks in the process of formulating business development strategies, business approval, counterparty access, assessing repayment ability of financiers, investment decision-making, risk reporting, concentration management, risk measurement, etc., so as to improve the overall level of climate risk management and control.

CICC’s Comprehensive Process Management Mechanism for Climate Risk

Identification and Assessment	<ul style="list-style-type: none"> • We promoted the identification and assessment of climate risk by identifying the climate risk drivers faced by various types of business products and their transmission channels to traditional financial risks at the business product level, and assessing and summarizing the impact of climate risks from the bottom up.
Monitoring and Warning	<ul style="list-style-type: none"> • We continued to study and established a climate risk monitoring mechanism, gradually established quantitative and qualitative risk monitoring tools and indicators, and monitored the Company’s climate risk level and trend, to ensure that the risk monitoring process keeps pace with the latest development of climate change.

CICC's Comprehensive Process Management Mechanism for Climate Risk

Scenario Analysis and Risk Measurement	<ul style="list-style-type: none"> We advanced the construction of a climate risk measurement model and gradually launched the scenario analysis and risk measurement for climate risk to quantify the impact of transition risk and physical risks on the Company's traditional financial risks.
Response	<ul style="list-style-type: none"> We studied and gradually adopted risk avoidance, risk transfer, risk reduction, risk acceptance and other corresponding prevention plans, and formulated risk response strategies according to the nature of risk, the Company's risk appetite and risk tolerance.
Reporting	<ul style="list-style-type: none"> We established a climate risk information communication and reporting mechanism with each department, compiling, approving and submitting climate risk-related reports and external disclosure information in line with different levels and types of reporting requirements of 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 established a climate risk contingency management mechanism to clarify the risk mitigation measures to be taken under specific risk conditions and shall carry out emergency disposal work in a timely manner.

2.2 PROMOTING GREEN OPERATION

CICC has integrated the concept of ecological and environmental protection into its business operations, and has abided by 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 Environmental 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 in office, procurement, travel and other links. CICC also enhances employees' awareness of environmental protection through training and publicity. During the Reporting Period, the Company made steady progress in exploring green operations.

Main areas	Management goals
Energy management	<ul style="list-style-type: none"> We expect to reduce carbon emissions by 27,000 tons by using green power by 2030. 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.
Water resource management	<ul style="list-style-type: none"> 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.
Non-hazardous wastes	<ul style="list-style-type: none"> 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, publicity of food conservation, insistence on paper conservation and paperless office.
Hazardous wastes	<ul style="list-style-type: none"> 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.



02

Commitment to Green Development

Carbon reduction

Main areas	Specific measures
Green office	<ul style="list-style-type: none"> Carbon reduction plan: Reducing carbon emissions by 30,000 tons per year through low-carbon offices by 2030. In 2023, the shared office model of on-the-job personnel was piloted to improve the utilization rate of space resources, and reduce carbon emissions.
Green building construction	<ul style="list-style-type: none"> Green and sustainable design was fully considered in the construction of CICC Building. We integrate the concept of low-carbon throughout the site selection, project approval, scheme, design and construction of the project to form a low-carbon technology system for CICC Building. Prefabricated building: during the Reporting Period, 5 integrated prefabricated construction projects were completed, realizing the reduction of a total of 474.27 tons of Chinese Certified Emission Reduction (CCER) and obtaining 5 carbon neutrality certificates.
Green travel	<ul style="list-style-type: none"> Carbon reduction plan: Reducing carbon emissions from aviation travel by 25% by 2030. In the new travel system, the relative value of carbon emissions is marked in the flight information area, and flights with the lowest-carbon emission are marked as "green flights" to recommend to employees.

Pollution reduction

Main areas	Specific measures
Non-hazardous wastes	<p>Papers</p> <ul style="list-style-type: none"> Use an online work order system to replace paper inspection forms and reduce paper usage. Overseas offices purchase paper with smaller gram weights. Replace disposable cartons with plastic handling boxes to reduce the use of cartons in the process of moving office space. <p>Plastics</p> <ul style="list-style-type: none"> Provide glasses in meeting rooms to reduce the use of bottled water. Pilot the use of drinking water dispensers in some new and overseas offices. Make employee name tags through employee applications to reduce the amount of acrylic name tags produced. Encourage employees to bring their own cups and utensils to reduce the purchase and use of disposable utensils. <p>Food wastes</p> <ul style="list-style-type: none"> Launch a call for "clean plate campaign" to encourage employees to consciously save food and reduce waste, and give lucky draws to employees who participate in the event.



Main areas	Specific measures
Hazardous wastes	<ul style="list-style-type: none"> Manage in a unified manner waste toner cartridges, ink cartridges, and toner, and hire professional companies to collect them every month. During the Reporting Period, the total amount of e-waste processed was 6,516 units¹.
Waste sorting	<ul style="list-style-type: none"> Classified garbage bins are set up in all offices to sort wastes.

Resource and energy management

Main areas	Specific measures
Water resources use	<ul style="list-style-type: none"> Picture posters on green environmental protection and water conservation of CICC were posted in the pantry and toilet in the office area to cultivate employees' awareness of water conservation.
Energy use	<ul style="list-style-type: none"> Employ LED lamps to reduce lighting energy consumption. Use inductive intelligent lighting control to reduce lighting wastage. Promote equipment life cycle management, and continuously renew, replace and scrap old equipment in the data center to avoid ineffective energy consumption. Strengthen the construction of green computer rooms, carry out the energy-saving renovation including the insulation of internal and external walls and cold aisle closure, and utilize the high-density integrated high-efficiency electronic information equipment, new precision air conditioning, liquid cooling, waste heat recovery and other advanced facilities and technologies, where applicable.

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 Commitment to Green Development



Energy Saving Posters of CICC



"Empty Plate Campaign" Posters of CICC



CICC has obtained the Carbon Neutral Certificate issued by the Shanghai Environment and Energy Exchange



CICC has obtained the Carbon Neutral Certificate issued by China Beijing Green Exchange



CICC Building won the Net-zero Carbon Building Pioneer Project (淨零碳建築先鋒項目) + Special Project Award from TÜV Rheinland Greater China and the Building Research Establishment



Name of indicator	Unit of indicator	Figures in 2023
Gasoline consumption	Litre	27,339
Consumption of natural gas	M ³	745
Consumption of diesel	Litre	2,428
Consumption of purchased electricity	kWh	34,551,554
Consumption of purchased heat ²	GJ	9,751
Total GHG emissions ³	tCO ₂ e	32,334
Including (Scope 1) GHG emissions ³	tCO ₂ e	69
(Scope 2) GHG emissions ³	tCO ₂ e	19,971
(Scope 3) GHG emissions ³	tCO ₂ e	12,293
Per capita GHG emissions	tCO ₂ e/person	2.11
Consumption of comprehensive energy ⁴	MWh	37,553
Per capita consumption of comprehensive energy	MWh/person	2.45
Water consumption of municipal water supply	Ton	105,714
Per capita water consumption of municipal water supply	Tons/person	6.90
Total amount of non-hazardous waste generated ⁵	Ton	1,349
Per capita amount of non-hazardous waste generated	Tons/person	0.09
Total amount of hazardous waste generated ⁶	Kg	3,114
Per capita amount of hazardous waste generated	Kg/person	0.20

² The consumption of purchased heat for 2023 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). Scope 1 mainly includes greenhouse gas emissions from the use of gasoline, diesel and natural gas; Scope 2 mainly includes greenhouse gas emissions from the use of purchased electricity and purchased heat. 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 2022 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

Practicing Responsible Finance

CICC supports the real economy as the main line of business development, and relies on the coordinated development of various business segments to focus on key areas including green finance, inclusive finance and responsible investment as a way to enhance its financial capability to serve the real economy, and promote high-quality financial development.



03 Practicing Responsible Finance

Respond to the United Nations SDGs	Our Actions
  	<ul style="list-style-type: none"> Contribute to the green transformation of economy through financial services including green bonds and green funds Invest responsibly and integrate ESG factors into the investment business processes <p>During the Reporting Period</p> <ul style="list-style-type: none"> Completed investment banking business-related green finance project involving transaction amount of more than RMB600 billion Underwrote onshore green bonds with an aggregate amount of approximately RMB317 billion, and completed green finance-related equity project with a transaction amount of approximately RMB71 billion Served micro, small and medium-sized enterprises and completed investment banking business-related projects involving transaction amount of more than RMB230 billion

Over the years, CICC has actively responded to the national “carbon peaking and carbon neutrality” strategy, consistently integrating green finance and sustainable finance into our key business strategies. We vigorously develop green and sustainable investment and financing products and services, exerting influence on sustainable development externally, and jointly promoting environmental protection and ecological optimization with various forces. Simultaneously, we leverage our research expertise, releasing forward-looking research results like *Economics of Carbon Neutrality*, participating in formulating industry standards and regulations, and organizing or participating in various industry forums. All these efforts collectively promote the high-quality development of sustainable finance.

3.1 IMPLEMENTING THE CONCEPT OF GREEN FINANCE

In response to the national green development strategy and the trend of vigorously developing green finance in the international and domestic markets, during the Reporting Period, CICC thoroughly implemented policy requirements including the *Notice on Supporting the Issuance of Green Bonds by Central Enterprises* (《關於支持中央企業發行綠色債券的通知》) and the *Implementation Opinions of the State Administration for Market Regulation on Coordinating the Use of Quality Certification Services for Carbon Peak and Carbon Neutrality* (《市場監管總局關於統籌運用質量認證服務碳達峰碳中和工作的實施意見》), and actively participated in the construction of the green finance market and the innovation and development of green financial products as a way to guide the flow of funds towards the field of green finance.

CICC actively practices the concept of green finance through the overall development of equity, bonds, mergers and acquisitions, funds, carbon trading and other business models. During the Reporting Period, the Company completed projects related to green finance investment banking with a transaction amount of over RMB600 billion, including the IPO of CSI Solar on STAR Market, the A-share follow-on offering of PowerChina, the A-share follow-on offering of SEMCORP, the ATM of Li Auto’s US stocks, the green directional asset-backed notes of Xiaopeng Automobile (小鵬汽車), the offshore RMB green bond of the People’s Government of Guangdong Province, and the multi-branch and multi-currency overseas carbon neutrality-themed green bond of ICBC. In terms of bonds business, CICC underwrote onshore green bonds with an aggregate amount of approximately RMB317 billion, leading the market. In terms of equity business, CICC assisted enterprises in implementing green strategies in financing, and completed equity-related projects with a transaction amount of approximately RMB71 billion as well as a number of benchmark projects in the industry.

03 Practicing Responsible Finance

[Case] CICC completed the IPO of CSI Solar's A-share on STAR Market

The IPO project of CSI Solar on the STAR Market was officially completed on June 9, 2023. The total proceeds amounted to RMB6,907 million, which was the largest IPO ever issued on the STAR Market in Jiangsu Province, the largest IPO in the history of Suzhou City, and the third largest IPO in the photovoltaic new energy industry in the history of A-shares. CICC acted as the sole sponsor and joint lead underwriter for the project.

In this transaction, CICC took the lead in all aspects, efficiently communicating and assisting the Company in completing project reviews, ensuring a smooth journey to a successful listing. During this issuance, CICC fully utilized its platform advantages, meticulously organizing comprehensive and in-depth market promotions for the Company. It assisted CSI Solar in introducing a high-quality lineup of strategic investors, ultimately securing subscriptions from 11 high-quality strategic investors, including national funds, large central enterprises, major insurers, local state-owned assets, and industry partners.

This support for the IPO of CSI Solar on STAR Market is a concrete measure by CICC to serve the national green development strategy. This issuance is not only a benchmark project in the photovoltaic new energy industry but also another successful example of CICC providing long-term capital market services to high-quality private enterprises.



[Case] CICC completed the green directional asset-backed note project of Xiaopeng Automotive

On August 18, 2023, CICC, as the lead underwriter and bookrunner, assisted Guangzhou Xiaopeng Automotive Financing Lease Co., Ltd. (廣州小鵬汽車融資租賃有限公司) in completing the issuance and establishment of the "2023 Phase I Green Directional Asset-Backed Notes of Guangzhou Xiaopeng Automotive Financing Lease Co., Ltd." (廣州小鵬汽車融資租賃有限公司2023年度第一期綠色定向資產支持票據). Assigned a green rating of G1, the project was the first public appearance of XPeng group in the interbank market, and had significant environmental and social benefits.

3.1.1 Green bonds

CICC actively responds to the China's major decisions and arrangements for carbon emission reduction, and integrates the concepts of "green finance" and "sustainable finance" into the approval criteria for onshore securities projects. As of the end of the Reporting Period, the Company underwrote onshore green bonds with an aggregate amount of approximately RMB317 billion.

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

Major Green Bonds Underwritten by CICC in 2023

January 11	CICC assisted Industrial and Commercial Bank of China Limited (hereinafter referred to as the "ICBC") in issuing multi-currency "carbon neutrality" offshore senior green bonds .
February 21	CICC assisted China Resources Financial Leasing Co., Ltd. (華潤融資租賃有限公司) (hereinafter referred to as the "China Resources Financial Leasing") in issuing China's first carbon neutrality corporate bond for the year of 2023.
March 1	CICC assisted China Development Bank in issuing the first tranche of green bonds in 2023 to support the ecological protection and green development of the Yangtze River.
April 14	CICC assisted Jinan Energy Group Co., Ltd. in issuing the first offshore green bond in Shandong in 2023.
April 18	CICC assisted Ningbo Development & Investment Group Co., Ltd. in issuing the first low-carbon transition-linked bond in Ningbo City .
May 13	CICC assisted CECEP Solar Energy Co., Ltd. in issuing the first green corporate bond certified by the EU-China Common Ground Taxonomy for Sustainable Finance on the Shenzhen Stock Exchange (hereinafter referred to as the "SZSE") .
July 6	CICC assisted Powchan Financial Group Co., Ltd. in issuing the first low-carbon transition-linked bond in Shanghai's leasing industry .
August 18	CICC assisted China State Construction International Investments Limited in completing the first green corporate bond of central enterprises in the construction category in the whole market .
August 31	CICC assisted Guangxi Energy Group Co., Ltd. in issuing China's first "green science and technology innovation and low-carbon transformation-linked" corporate bond .
September 7	CICC assisted Jiangxi Provincial Investment Group Co., Ltd. in completing the China's first scientific and technological innovation and low-carbon transformation linked renewable corporate bond by a local state-owned enterprise .

03 Practicing Responsible Finance

[Case] CICC assisted ICBC in the issuance of multi-currency “carbon neutrality” offshore senior green bonds

On January 11, 2023, a number of overseas branches of ICBC successfully issued global multi-currency “carbon neutrality” offshore green bonds. CICC participated in the issuance of Hong Kong Branch, Dubai Branch and Singapore Branch, in which it acted as joint bookrunner and joint lead manager.

The issuance met the requirements of domestic and foreign green bond standards and industrial mainstream practices, and complied with *The Green Bond Principles* issued by the International Capital Market Association (ICMA) and the *Catalogue of Green Bond-Backed Projects (2021 Edition)* (《綠色債券支持項目目錄(2021年版)》) issued by the People’s Bank of China. It also obtained the certification report on the green bond framework overseas and domestic standards issued by Sustainalytics and Zhong Cai Green Finance Consulting Co., Ltd. (北京中財綠融諮詢有限公司 or “Zhong Cai Green Finance”), the “carbon neutrality” labeling certification assessment report issued by Zhong Cai Green Finance, the climate bond certificate issued by the Climate Bonds Initiative (CBI), and the green and sustainable scheme certificate issued by the Hong Kong Quality Assurance Agency (HKQAA). The use of proceeds focused on low-carbon fields, and was earmarked for green projects in areas with significant carbon emission reduction effects, such as green transportation and renewable energy.

[Case] CICC assisted Guangxi Energy Group Co., Ltd. in the issuance of China’s first “green science and technology innovation and low-carbon transformation linked” corporate bond

On August 31, 2023, CICC, as the lead underwriter and bookrunner, successfully assisted Guangxi Energy Group Co., Ltd. in completing the pricing of the issuance of green technology innovation corporate bonds linked to low-carbon transformation, with a three-year issuance scale of RMB300 million, which was the first green, scientific and technological innovation, low-carbon and sustainability linked “three-labeled” corporate bonds in the whole market. The issuance had a good demonstration effect and promotion value, and provided a replicable and generalizable experience sample for the green and low-carbon development of the energy industry in the whole region and even the whole country.



3.1.2 ESG-related funds

During the Reporting Period, CICC operated various ESG funds in a stable manner, helped investors seize the opportunities from ESG, and shared the growth benefits of ESG companies. Meanwhile, CICC provided financial support to related enterprises through related investments in clean energy industries such as photovoltaic and wind power. It mainly includes:

■	The Shandong Green Development Fund
■	CICC Carbon Futures ETF
	Eastspring Investments CICC China USD Sustainable Bond Fund
	CICC CSI 500 ESG Benchmark Index Enhanced Securities Investment Fund (中金中證500ESG基準指數增強型證券投資基金)
	CICC Sino-Securities Clean Energy Index Initiating Securities Investment Fund (中金華證清潔能源主題指數發起式證券投資基金)
	CICC assisted the State Power Investment Corporation in issuing the largest clean energy REITs in the market

3.1.3 Green derivatives

[Case] CICC concluded the first multi-name CDS business linked to green asset-backed notes in the interbank market

In September 2023, CICC successfully concluded the first transaction of multi-name credit default swap (CDS) linked to asset-backed notes in the interbank market with a counterparty. The transaction was concluded at the front desk of the China Foreign Exchange Trade System (CFETS) and cleared bilaterally through the Shanghai Clearing House on case-by-case basis. The underlying subject of the transaction was green asset-backed notes, which was a strong embodiment of CICC's practice of green finance with its professional asset-backed securities and credit derivatives trading capabilities.

In addition, the multi-name CDS product complemented the single-name CDS, and was linked to multiple reference entities and could be customized to provide credit protection for the combination of linked reference entities. The conclusion of the transaction further enriched the types of onshore credit derivatives and improved the market map, which was conducive to meeting the differentiated needs of different investors and stimulating market vitality.

03 Practicing Responsible Finance

3.1.4 Carbon transaction

In 2023, the China Securities Regulatory Commission (hereinafter referred to as the “CSRC”) issued a no-objection letter to six securities companies, including CICC, for conducting proprietary carbon emission permit trading in China, and allowing them to participate in the relevant transactions. We have conducted our business in a compliant and prudent manner, and integrated relevant business into a comprehensive risk management system. This is an important step for CICC to support national dual carbon goals and promote the carbon market of China, and also one of the important milestones achieved by CICC on the green and low-carbon path. Upon obtaining the no-objection letter from CSRC, CICC has actively participated in local carbon trading to help the high-quality development of local green finance.

- CICC completed the first carbon quota transaction by listing on the Guangzhou Emissions Exchange.
- CICC completed its first quota transaction in the Shanghai carbon market by listing on the Shanghai Environment and Energy Exchange.
- CICC Commodity Trading Limited, an overseas subsidiary of CICC, completed the first batch of spot standardized contracts for carbon credits traded on the Singapore international carbon market CIX.
- CICC cooperated with Nanping City, Fujian Province to explore the “ecological value carbon sink +” model, and took the lead in implementing the forestry carbon sink CCER trading project in Jianyang District, Nanping City.
- CICC was awarded the “Outstanding Trading Performance Unit” (優秀交易表現單位) in the first National Carbon Market Simulation Trading Competition (全國碳市場模擬交易大賽).



- ✓ Enrich the trading entities of the carbon market
- ✓ Increase market activity and facilitate price discovery
- ✓ Promote the carbon trading system to play a role in reducing emissions

[Case] CICC's overseas subsidiary completed the first batch of spot standardized contracts for carbon credits traded in Singapore

In June 2023, CICC Commodity Trading Limited, an overseas subsidiary of CICC, together with SPIC Group Smart Energy Investment Company Limited, participated in the first batch of spot standardized contracts for carbon credits traded on the Singapore international carbon market CIX.

The carbon credit standardized contract launched by CIX was CIX Nature X (hereinafter referred to as the "CNX"), which opened a new chapter in carbon credit on-exchange trading. High-quality forestry carbon sink projects developed based on the verified carbon standard (VCS) and meeting the CNX contract quality screening criteria would be allowed to be physically delivered under the standardized contract, and the projects available for delivery were mainly from Belt and Road countries.

This transaction marked an important step for CICC to explore and promote sustainable development with countries along the Belt and Road on the occasion of the 10th anniversary of the Belt and Road Initiative, an important practice for CICC to serve State Power Investment Corporation (hereinafter referred to as the "SPIC") in expanding its international carbon business layout, and also an important step for both parties to implement the national "dual carbon" strategy, expand international carbon trading business, and participate in international carbon pricing.

[Case] CICC and CGN Carbon Assets reached a cooperation in carbon finance business

On the occasion of the 33rd week-long national campaign to promote energy conservation, CICC and CGN Carbon Assets Management (Beijing) Co., Ltd. (中廣核碳資產管理(北京)有限公司, hereinafter referred to as "CGN Carbon Assets") reached a carbon finance business cooperation. To actively respond to the national call for "dual carbon", the two sides have made efforts to jointly promote carbon finance innovation, explore the linkage between carbon trading and the real economy, strengthen business cooperation in carbon quota and CCER trading as well as carbon buyback, and give full play to their respective professional capabilities and resource advantages to promote green development and low-carbon transformation.

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3.2 CREATING AN ECOSYSTEM

While exploring its own ESG development, CICC also offers advice and suggestions for the development of the industry, and cooperates and communicates with stakeholders to promote the progress of the industry.

3.2.1 Research and intelligence support

As a leading investment bank and asset management company in China, we have actively contributed CICC's wisdom to the formulation of a number of industry standards and policies in the ESG field.

During the Reporting Period, the Research Department of CICC and CICC Global Institute (hereinafter referred to as "CGI") participated in more than 25 projects of government agencies/foreign institutions including the Central Bank, the Research Office of the State Council, the Office of the Central Commission for Financial and Economic Affairs, the Ministry of Finance, and the Ministry of Ecology and Environment, and attended a total of over 70 meetings. The green economy group of the CGI participated in the writing of some chapters of *CF40 Research on the Development of China's Transition Finance* (《中國轉型金融發展研究》), and the quantitative and ESG group of the Research Department participated in the compilation of the *ESG Disclosure Guide for Small and Medium-sized Enterprises* (《中小企業ESG披露指南》). Invited by the People's Bank of China to serve as a senior advisor to the China Co-Chairman of the G20 Sustainable Finance Working Group, CGI has traveled to India four times to attend the working group meetings and led the presentation of research results entitled *Financial Support for Green Technology Development: China's Practices and Experiences* (《金融支持綠色科技發展：中國的實踐與經驗》).

In addition, CICC participated in the drafting of the local standard of *Guidelines for the Accounting and Application of Ecological Products in Specific Geographical Units* (《特定地域單元生態產品價值核算及應用指南》). CICC participated in the formulation of the *General Rules for Implementing Carbon Neutrality in Enterprises* (《企業碳中和實施通則》) and the *General Rules for Implementing Product Carbon Neutrality* (《產品碳中和實施通則》) led by Shanghai Environment and Energy Exchange. The *Zero-carbon Factory Creation and Blockchain-based Evaluation Specifications*, a group standard co-edited by CICC, was officially released at the Carbon Peak and Carbon Neutrality International Forum (CCIF) and the International Carbon Peak and Carbon Neutrality Technology Expo.

The Research Department of CICC and CGI have gradually expanded existing ESG research to a wide range of fields including green economy, carbon market/carbon finance, green bonds, green financial products, corporate social responsibility, and philanthropy, and have published a number of in-depth reports, including the *New Supply Economics of Scale Effect and Green Transformation* (《規模效應和綠色轉型的新供給經濟學》), the ESG fund research series (6 articles), the *Trade-off between Benefits and Public Welfare: Economic Logic of Corporate Social Responsibility Development* (《利益與公益的權衡—企業社會責任發展的經濟學邏輯》) and *The Way of Public Welfare: Exploring Sustainable Philanthropy Development Paths* (《善亦有道—探索可持續的公益慈善發展路徑》). On the other hand, the cross-group in-depth research have become increasingly fruitful. In-depth topics have been written around the new power system, ESG and credit rating, including the *New Power System Construction: Activating the Dual Value of Hydropower* (《新型電力系統建設：激活水電的雙重價值》), the *New Power System Investment: The "Establishment" and "Breakthrough" of the Last Mile of the Power Grid* (《新型電力系統投資：電網最後一公里的「立」與「破」》) and the *How ESG Factors Affect Credit Rating and Pricing* (《ESG因素如何影響信用評級和定價》), and in-depth ESG researches were completed in the power, environmental protection and automotive industries to improve the ability of collaborative research.



[Case] "CICC ESG Rating" V2.0 was updated and iterated

At the end of 2022, the version V1.0 of CICC ESG rating system was built. The CICC ESG rating has three major features: aligning with international ESG standards and reflecting local ESG development characteristics, comprehensive integration of multi-dimensional research capabilities covering ESG and industry research, and integration of data resources and indicator system with empowerment of quantitative means. In 2023, CICC completed the update and iteration of the "CICC ESG Rating" V2.0. The rating system targeted the financial importance of ESG and further improved the rating details in three aspects: expanding the coverage of ratings, adding new industry classification criteria, and improving the quality of the underlying data. The CICC ESG rating provided institutional investors with reference data on the ESG performance of A-share and Hong Kong-listed companies, and the quality of the rating data continued to improve.

Rating features

- In line with international standards, and reflecting local characteristics
- Comprehensively integrate multi-dimensional research capabilities
- Empowered by quantitative means: Integrate data resources and enrich the underlying indicators

Rating methodology

- Rating objectives: Financial indicators and risk indicators
- Rating principles: Independence, transparency, completeness, comparability, timeliness
- Coverage: The A-share rating covers the constituent stocks of the CSI 800 and CSI 1000 Index since 2018, and the Hong Kong stock rating covers the list of constituent stocks of the Hang Seng Composite Index and the underlying securities of the Hong Kong Stock Connect
- Industry standards: Take the Global Industry Classification Standard (GICS) for secondary industries as the main industry classification criteria. The CITIC industry classification and Shenwan industry classification frameworks are added to the A-share rating, and the Hang Seng industry classification framework is added to the Hong Kong stock ratings
- Indicator system: Four-level ESG indicator structure to improve the underlying indicator setting
- Materiality analysis: ESG research, industry research and quantitative research are integrated
- Weight setting: The materiality judgment results are superimposed on the weight increase and decrease
- Result output: Rating database

Rating results

- Rating score: An overview of the full sample
- Rating score: Industry perspective
- Rating score: Company perspective

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[Case] The research project reports were selected as outstanding project reports in the China Securities Association's 2023 key research projects

CICC actively participated in the 2023 key research projects organized by the China Securities Association. Outstanding reports were achieved in various projects, including *Exploring an ESG System in Line with Chinese Characteristics to Facilitate the High-Quality Development of Public REITs Market in China* and *Research on the Integration of Investor Education and Over-the-Counter Derivatives Business in the Securities Industry*.

The project *Exploring an ESG System in Line with Chinese Characteristics to Facilitate the High-Quality Development of Public REITs Market in China* was jointly completed by CICC and Cushman & Wakefield. The project comprehensively aligns with the five development concepts of "innovation, coordination, green development, openness, and sharing". Drawing on internationally mature methodologies and considering the historical mission of the "modern capital market with Chinese characteristics", the project conducted a series of tasks such as the methodology reconstruction of the ESG evaluation system, survey questionnaires, model construction, quantitative calculations, and effectiveness analysis. By establishing a unique ESG evaluation system for public REITs in China, the project scored 28 REITs projects and over 200 ABS projects. It provided comprehensive recommendations for the ESG development in the field of public infrastructure REITs in China from various perspectives.

The project *Research on the Integration of Investor Education and Over-the-Counter Derivatives Business in the Securities Industry* deeply analyzed the issues awaiting resolution in investor education regarding over-the-counter derivatives investments by different participating entities in the securities industry. Combining the practical situation of the development of over-the-counter derivatives business domestically and internationally, and drawing on relevant practical experiences in investor education, the project proposed policy suggestions to promote the integration of investor education and over-the-counter derivatives business in the securities industry.



3.2.2 Participating in industry organizations

In 2023, CICC became a member of the Shanghai OTC Commodity Derivatives Association (SOCDA). SOCDA has set up a green finance professional committee to conduct regular research and discussion on the green finance market and assist member units in carrying out special research. CICC serves as the deputy director unit of the second session of SOCDA’s green finance professional committee, and will continue to work with other member units to carry out beneficial explorations in the development of green finance and promote the sustainable and healthy development of green finance.

- In January, CICC Capital became a director of member units of the International Clean Energy Forum (Macau).
- In December, CICC Capital became an alliance member of the China Venture Capital ESG Alliance (中國創投風投ESG聯盟).
- CICC continues to serve as the executive member of the China Carbon Neutrality Action Alliance, led by the Shanghai Environment and Energy Exchange.

3.2.3 Talking to all partners

During the Reporting Period, CICC held and participated in various industry forums to explore the development trend and focus of sustainable finance with all parties, and to communicate with all parties on their wisdom to build a greener future together. The main activities include:

- March** CICC was invited to participate in the 3rd China Carbon Trade & ESG Investment Cooperation and Development Summit (第三屆中國碳交易與ESG投資合作發展峰會) and delivered a keynote speech titled the “Inclusiveness and Professionalism of FICC ESG Investment” (固收ESG投資的包容性與專業性).
- May** CICC was invited to discuss sustainable beef trade and carbon asset trading between China and Brazil with the state government of Mato Grosso in Brazil, the China Meat Alliance (中國肉類聯盟), and the Tianjin Meat Industry Association.
- June** CICC participated in the “2023 Industrial Green Development Conference” held by the Ministry of Industry and Information Technology of the People’s Republic of China.
- September** CICC participated in the urban climate investment and financing and carbon market development forum jointly organized by the C40 Cities Climate Leadership Group, the Beijing Municipal Ecology and Environment Bureau, and the National Center for Climate Change Strategy and International Cooperation.

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October

As an award-winning guest, CICC was invited to participate in the award ceremony of the second “Zero Carbon Future ESG Awards” of Wallstreetcn.

November

CICC was invited to share and exchange investment and financing of new energy projects at the Global Cleaner Production Conference hosted by Fudan University and the National Eastern Tech-Transfer Center.

November

CICC partnered with Cushman & Wakefield and the Global Real Estate Sustainability Benchmark (GRESB) to successfully hold a C-REITs sustainability investment seminar.

November

As the representative of the co-writer of *2023 White Paper on the Innovation and Development of China's Carbon Finance* (《2023年中國碳金融創新發展白皮書》), CICC shared the Company's innovative practices and market observations in the field of carbon finance at the launch ceremony of the White Paper, helping the construction and development of China's carbon market.

[Case] CICC hosted the sub-forum of 2023 Zhongguancun Forum – “Double Carbon and Green Finance Forum”

On May 27, 2023, the “Double Carbon and Green Finance Forum”, a parallel sub-forum of the 2023 Zhongguancun Forum, was hosted by CICC and successfully held in Beijing. At the forum, representatives of government agencies, international organizations, well-known enterprises and investment institutions gathered together. Well-known experts at home and abroad gave keynote speeches and conducted in-depth discussions on topics such as carbon neutrality and green industry development, energy storage and other green technology innovation, carbon market and green investment and financing.



[Case] CICC co-hosted the CCICED 2023 Annual General Meeting Forum on “Building Green Consensus and Promoting Financial Innovation” and released the keynote report

On August 29, 2023, CICC, the Natural Resources Defense Council (NRDC) and Storebrand, a Norwegian asset management company, hosted the 2023 Annual General Meeting Forum of China Council for International Cooperation on Environment and Development (“CCICED”) on “Building Green Consensus and Promoting Financial Innovation” (凝聚綠色共識·助力金融創新), which attracted nearly 120 guests from relevant government departments, business representatives, and investors.

The forum invited senior experts from domestic and foreign decision-making departments, industrial circle and academia to conduct in-depth discussions on topics including the international experience and practice of sustainable investment by sovereign asset owners, how to lead change, and the opportunities and challenges they face. The forum summarized three policy recommendations for sustainable investment, including encouraging pilot demonstrations, supporting the formulation of sustainable investment standards, and engaging sovereign asset owners in multilateral cooperation mechanisms. These recommendations aimed to improve the effectiveness of sustainable investment and financing, optimize investment returns, and reduce negative environmental and climate impacts.

In addition, CGI undertook the policy research on “Innovative Mechanisms for Environmentally and Climate-Sustainable Investment” (環境與氣候可持續投資創新機制) in 2022-2023 of CCICED, and co-conducted research with NRDC and Storebrand. The research result, namely the *Sustainable Investment Practices of Global Sovereign Asset Owners: International Experiences and Policy Recommendations* (《全球主權資產所有者的可持續投資實踐：國際經驗與政策建議》), was released at the forum.



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[Case] CICC attended the seminar series of the 28th united nations climate change conference

From November 30 to December 12, 2023, the 28th Conference of the Parties to the *United Nations Framework Convention on Climate Change (UNFCCC)* (hereinafter referred to as the “COP28” or “28th United Nations Climate Change Conference”) was held in Dubai, United Arab Emirates, where decision-making bodies, experts, scholars, business representatives and other participants from all over the world gathered to discuss climate change-related issues. CICC actively attended a series of seminars at the United Nations Climate Change Conference with a commitment to advancing the response to global climate change and energy transition.

CICC hosted a seminar themed as “China-West Asia Carbon Reduction Synergy and Energy Transformation Investment” in Chinese Corner of COP28, which further studied the long-term strategy of China and West Asia in green and low-carbon transformation, as well as the potential international exchanges and cooperation in coping with climate change and realizing sustainable development, and discussed how to accelerate the realization of the zero-carbon agenda.

Based on its fruitful achievements and innovative experience in the field of sustainable finance, CICC, as the only representative of Chinese securities firms, was invited to participate in a number of green finance seminars at the China Corner of COP28, contributing China’s wisdom to global climate governance through diversified exchanges.

Also, CICC Foundation was invited to attend a side event themed as “Achieving Objectives of the Paris Agreement in Forestry and Grassland in China” held in Chinese Corner of COP28 and sponsored by National Forestry and Grassland Administration, and another side event themed as “Multi-stakeholders Promoting Harmonious Coexistence Between Man and Nature” co-hosted by China Green Carbon Foundation and All-China Environment Federation. Aimed at demonstrating China’s achievements in ecological protection and restoration, forest and grass response to climate change, and studying the staged achievements and typical cases of international and domestic institutions promoting the coordinated management of climate and biodiversity with natural solutions, the two events made efforts to achieve synergy and global collaboration in addressing climate change and biodiversity protection.



[Case] CICC attended the 3rd Belt and Road Forum for International Cooperation High-level Forum on Green Development

On October 18, 2023, the 3rd Belt and Road Forum for International Cooperation High-level Forum on Green Development was successfully hosted by the Ministry of Ecology and Environment and the National Development and Reform Commission.

At the forum, CICC, as one of the initiators of the partnership of investment and financing cooperation for green development, participated in the partnership launch ceremony with the Ministry of Ecology and Environment, the Financial Secretary of Hong Kong, the China Development Bank, China Energy Conservation and Environmental Protection Group, PowerChina, British Children's Investment Fund Foundation (英國兒童投資基金會), Boston University and other Chinese and foreign institutions. The partnership aims to promote practical cooperation in investment and financing for green development based on the principles of openness, inclusiveness, mutual benefit and win-win results, including strengthening exchanges and collaboration with co-construction countries in the field of investment and financing policies and planning for green development, encouraging the development of mixed financing and other diversified investment and financing models, effectively improving the level of green finance in co-construction countries through capacity building, exploring the establishment of a green and low-carbon project library, and improving the financing feasibility of projects.

Through this partnership, CICC will fully grasp the development opportunities of the Belt and Road Initiative, leverage on the experience and advantages as a state-owned financial institution in financial integration and low-carbon finance, promote the construction of a long-term, stable, sustainable and diversified investment and financing system in the green Belt and Road Initiative, and work side by side with all sectors to seek a path of green development.



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3.3 INFLUENTIAL FINANCE FOR THE COMMUNITY

CICC actively promotes the high-quality development of inclusive finance, and supports the capital operation of micro, small and medium-sized enterprises based on local development requirements. On September 25, 2023, the State Council put forward the *Implementation Opinions on Promoting the High-Quality Development of Inclusive Finance* (《關於推進普惠金融高質量發展的實施意見》). With the five goals as effective means, CICC has actively laid out its future work, and has carried out inclusive finance in the areas of facilitating the financing of business entities and improving supporting facilities for inclusive finance.

3.3.1 Assisting in the issuance of local bonds and thematic bonds

CICC assists the national and local governments to contribute to the development of people's livelihood, serve key national strategies, and empower steady economic development. During the Reporting Period, CICC performed excellently in bond underwriting in provinces and cities and completed a number of milestone transactions effectively.

Local government bonds

- Assisted the People's Government of Hainan Province in the issuance of RMB5.0 billion offshore RMB local government bonds
- Assisted the People's Government of Guangdong Province in the issuance of a RMB2.0 billion offshore RMB local government green bonds
- Assisted the People's Government of Shenzhen Municipality in the issuance of RMB5.0 billion offshore RMB local government bonds

Agricultural Development Bank of China

- "Urban-rural integration" thematic bonds (「城鄉一體化」主題債)
- "Supporting spring ploughing" theme bonds (「支持春耕備耕」主題債)
- "Supporting the purchase, sale and storage of grain, cotton and oil" thematic bonds (「支持糧棉油購銷儲」主題債)
- "Supporting the construction of important agricultural products and logistics system" thematic bonds (「支持重要農產品和物流體系建設」主題債)
- "Supporting the construction of high-standard farmland" thematic bonds (「支持高標準農田建設」主題債)

The Export-Import Bank of China

- "Pilot demonstration zone" thematic bonds (「先行示範區」主題債)
- "Beijing-Tianjin-Hebei coordinated development" thematic bonds (「京津冀協同發展」主題債)
- "Yangtze River Delta integration" thematic bonds (「長三角一體化」主題債)
- "Belt and Road" international cooperation and supporting "Belt and Road" infrastructure construction thematic financial bonds (「一帶一路」國際合作和支持「一帶一路」基礎設施建設主題金融債券)
- "Supporting the revitalization and development of northeast China strategy" thematic bonds (「支持東北振興發展戰略」主題債)
- Hunan "Three Highs and Four News" beautiful blueprint thematic bonds (湖南「三高四新」美好藍圖主題債)

[Case] CICC assisted the People's Government of Hainan Province in the successful issuance of RMB5.0 billion offshore local government bonds

On 13 September 2023, the People's Government of Hainan Province successfully issued RMB5.0 billion offshore local government bonds. It was the second consecutive year that Hainan Province had issued offshore RMB local government bonds, and the bond issuance had been highly recognized by overseas investors. The bond issuance further optimized the bond yield curve of the People's Government of Hainan Province in the offshore financial market and became a benchmark for the offshore RMB bond market.

3.3.2 Facilitating the financing of business entities

Micro, small and medium-sized 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 micro, small and medium-sized enterprises and private enterprises to make financing less difficult and less expensive through a variety of financing services and tools. During the Reporting Period, the Company helped the development of micro, small and medium-sized enterprises and completed investment banking business-related projects involving transaction amount of more than RMB230 billion.

[Case] CICC assisted China Resources Financial Leasing in issuing the first bond for supporting private economy development on the Shenzhen Stock Exchange

On March 23, 2023, CICC, as the joint lead underwriter, assisted China Resources Financial Leasing in its public issuance of 2023 carbon neutral green corporate bonds (Phase II) to professional investors (supporting private economy development), which was a "carbon neutrality + supporting private economy development" double-labelled corporate bond, and the first bond for supporting private economy development on the Shenzhen Stock Exchange. In response to the goal of "carbon peak and carbon neutrality", the bond supported the development of the private economy, with the funds raised mainly used for photovoltaic power generation and wind power generation projects of private enterprises.

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[Case] CICC assisted Zhongxin Leasing in completing the first green ABN project of a new car-making force in 2023

On August 3, 2023, CICC, as the lead underwriter, assisted Zhongxin (Guangxi) Financial Leasing Co., Ltd. (眾鑫(廣西)融資租賃有限公司 or “Zhongxin Leasing”) in completing the issuance of the first tranche of green asset-backed notes in 2023. Zhongxin Leasing, the initiator of the project, is a subsidiary of Hozon New Energy Automobile Co., Ltd. (合眾新能源汽車股份有限公司 or “Neta Automobile”), engaged in automobile financial leasing business. The undertaker to pay the shortfall was Neta Automobile, and the underlying assets in the pool were financial leasing claims of Neta brand new energy vehicles. Responding to the national green development strategy and the call of “promoting automobile consumption”, the project was conducive to advancing the consumption, promotion and use of new energy vehicles, and was also a good example of assisting private enterprises of new energy vehicles in innovating financing channels and revitalizing existing assets as a way to promote the development and growth of the private economy with high quality.

CICC explored new financing channels for overseas bond financing for Chinese micro and small enterprises

On April 12, 2023, CICC partnered with Credit Guarantee and Investment Facility (a trust fund under the Asian Development Bank (ADB)) to guarantee the issuance of RMB500 million offshore dim sum bonds by China Education Group Holdings Limited. The issuance was the first time that a Chinese underwriter had cooperated with a super-sovereign guarantee institution in the field of offshore bonds as the lead underwriter, and was an important practice for Chinese underwriters to practice their going-global strategy and enhance the global presence of Renminbi. The transaction also opened up a new financing channel for Chinese micro and small enterprises to raise funds with offshore bonds, and was a benchmark in the market.

3.4 PRACTICING RESPONSIBLE INVESTMENT

As an asset manager, CICC signed the Principles for Responsible Investment of the United Nations, and actively followed the “Six Principles” of responsible investment. To establish a sound ESG responsible investment framework, CICC formulated a series of rules and regulations including the *Responsible Investment Policy* (《責任投資政策》), and actively promoted ESG practices in FICC, Asset Management, Private Equity and other business segments based on its own investment and research endowment. In order to meet the regulatory requirements for responsible investment, CICC Hong Kong Asset Management strictly complied with the requirements of the Securities and Futures Commission of Hong Kong and formulated 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》).

We have also incorporated ESG issues into the ownership policy. In August 2023, CICC Capital issued the *Private Fund Business Specification Guidelines of CICC Capital Management Department No. 21 (Post-Investment Management Guidelines)* (《中金資本管理部私募基金業務規範指引21號(投後管理工作指引)》), which standardizes and elaborates on the systems of corporate engagement and proxy voting.

3.4.1 Responsible investment mechanism

In terms of the responsible investment mechanism, CICC Asset Management and CICC Fund Management have established an ESG responsible investment framework and organizational structure. CICC Asset Management and CICC HK AM have respectively established a Responsible Investment Committee, and held regular meetings of the Responsible Investment Committee to oversee and guide the implementation of work related to responsible investment, and have also set up a responsible investment execution working group thereunder to conduct relevant work. CICC Fund Management has set up a special team for responsible investment, and has also set up a responsible investment execution working group thereunder to implement relevant work and support the special team for responsible investment in decision-making. The investment research team of CICC Fund Management has gradually incorporated ESG issues into the investment analysis and decision-making process, where applicable.

3.4.2 Investment evaluation system

CICC's various business sectors will integrate ESG-related screening criteria based on their respective business characteristics into the investment analysis and decision-making processes. This aims to better carry out work in the ESG field and implement responsible investment practices.

- **Private equity investment segment**

Focusing on new energy and carbon neutrality in the ESG track, the private equity team has actively launched themed funds. Taking the Shandong Green Development Fund (hereinafter referred to as the "Shandong Green Fund") as an example, CICC Capital has taken into account of international advanced green standards and market-oriented equity investment forms, tapped into the development needs of domestic green industries, and has established a set of ESG investment system covering green assessment, monitoring and verification throughout pre-investment, in-investment and post-investment. The system has been highly recognized by international organizations, and has provided a substantive and replicable case for ESG investment in China to promote the development of ESG investment of the company.

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Overall Investment Process of the Shandong Green Fund

Team training

During the operation of the fund, the management team actively guides employees, investors and investee enterprises to participate in the training on the *Social and Environmental Management System* (《社會與環境管理體系》), the *Employee Gender Action Plan* (《員工性別行動計劃》) and the *Green Procurement System* (《綠色採購體系》) conducted by experts from international organizations, and organizes ESG industry sharing forums to fully enhance the ESG investment concepts and knowledge of employees, investors and investee enterprises.

Empower

Pre-investment evaluation

The invested projects shall be pre-reviewed and given marks in accordance with the Social and Environmental Management System (ESMS) formulated by the Asian Development Bank and the green assessment system based on the Green Climate Fund (GCF). In the process of project initiation and evaluation in the early stage, through enterprise interviews, field research, industry analysis, etc., it shall be clarified that whether the potential project falls within the scope of support of the Shandong Green Fund. For projects within the scope of the Shandong Green Fund, further detailed evaluation shall be carried out, a detailed analysis of their environmental and social impacts shall be conducted, a third-party agency shall be hired to assess the climate impact of the sub-projects, and the scores shall be graded according to the green evaluation framework. The environmental and social impact and green evaluation of the sub-projects shall be submitted to the investment committee of the fund in a separate report. The results have a key impact on the investment decision of the project.

Investment execution

Monitor and manage the implementation of carbon reduction targets by funds and investee enterprises through the MERV (monitoring, evaluation, reporting and verification) management process. In view of the environmental and social impact of the sub-project and the core indicators of the green evaluation specified in the preliminary evaluation, the Shandong Green Fund transmits the management requirements such as the *Social and Environmental Management System*, the *Employee Gender Action Plan*, the *Integrity Due Diligence System* (《誠信盡調體系》) and the *Green Procurement System* to the investee enterprises in the form of investment agreements, and establishes an internal control system for the sub-projects to manage their environmental and social impacts, green procurement and other activities.

Post-investment monitoring

In addition to cooperating with the investee companies to carry out internal monitoring, the Shandong Green Fund also engages professional third-party organizations to carry out external monitoring of the investee companies, including but not limited to a comprehensive verification of the use of funds, project progress, environmental and social impact monitoring, carbon emission reduction, etc. of the sub-projects, so as to fully understand the implementation of the projects, and form semi-annual progress reports, which are submitted to international organizations for review and external disclosure.

[Case] Integration of ESG factors into the decision-making of investments - the Shandong Green Development Fund

CICC has incorporated ESG practices in related areas such as listed equity investments, emerging market investments, real estate investments, hedge funds and alternative investments, with the Shandong Green Development Fund being one of the more successful cases.

In the specific investment screening process, the Company mainly screened projects and filtered high ESG risk projects based on the ESMS evaluation policy and the GCF green evaluation policy.

Examples of Screening Indicators

No fossil fuels in all projects invested	No hazardous waste shall be generated (in accordance with the laws and regulations of the PRC)
No project shall be initiated in important habitats, sites with cultural heritage or where cultural heritage may be found (within 500m)	No direct discharge into protected areas (water resources, fisheries), or into any water body exceeding its natural conservation capacity
Projects with irreversible effects on the environment	No new land shall be acquired
Production of metals, fertilizers, pesticides, coking, waste incineration, cogeneration plants, etc. shall not be allowed	Projects rated as average according to green standards (carbon emission reduction technology below the average level of the industry, commercialization potential to be verified, etc.) shall not be approved
Projects involving involuntary immigrants (more than 200 people) need to be assessed by the administrator, and there are certain requirements for consultation, resettlement and compensation of immigrants	No project affecting ethnic minorities shall be invested
Projects with technical risk	The life of the nearby community (noise, odor) shall not be affected

According to the ESMS evaluation standards, the investment scope of the Shandong Green Development Fund was Category B and Category C projects, excluding Category A projects with high ESG risks. According to the ADB green evaluation criteria, the Shandong Green Development Fund was not allowed to invest in good projects. All projects under the Fund are currently excellent and transformative.



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• FICC segment

We have deepened investment in green assets to support the development of clean energy and green industries through financial instruments such as asset-backed securities and trust plans, and have continued to explore innovative measures for green finance. In order to improve the applicability of the traditional ESG model, CICC has adopted an ESG evaluation system with Chinese characteristics for FICC to fill the application gap of the ESG evaluation system for all categories of products in the domestic FICC market.



Supported by the system, CICC FICC has carried out a number of responsible investment practices. Typical cases include CICC's participation in a trust plan to fund the "Internet + Smart Energy" national demonstration project.

[Case] CICC participated in a trust plan to fund the "Internet + Smart Energy" national demonstration project

In March 2023, CICC participated in a collective capital trust plan actively managed by a trust company as a trustee, and the trust funds were invested in the "Internet + Smart Energy" national demonstration project. The project had an important demonstration significance in the intelligent operation of new energy, green energy transformation, and regional rural revitalization.

The project invested by the trust plan had a total installed capacity of 800MW (500MW of photovoltaic power and 300MW of wind power), being one of the world's largest single new energy power generation projects, with an annual power generation capacity of more than 1 billion kWh, which could replace the equivalent power generated in the thermal power plant by North China Branch of State Grid, reducing carbon dioxide emissions by more than 800,000 tons and sulfur dioxide emissions by more than 200 tons per year. The project coordinated and controlled the complementarity of photovoltaic and wind power generation by building a centralized control center and an intelligent centralized operation and maintenance platform for new energy power stations, thereby improving the power grid's capability to accept large-scale renewable energy and the efficiency of power plant management.

At the same time, the project was also a photovoltaic poverty alleviation demonstration project. On the basis of effectively promoting local employment, part of the annual dividend income of the project was used for local poverty alleviation, so as to achieve the synergistic effect of green energy supply and rural revitalization.



- **Asset management Segment**

On the basis of the mainstream ESG investment strategies, CICC Asset Management has formulated ESG strategies suitable for its own development in accordance with a series of rules and regulations, including the *Responsible Investment Policy* (《責任投資政策》), and adopts four approaches, namely ESG integration, thematic approach, screening approach and due diligence management approach, to implement responsible investment.

CICC Asset Management explored to establish an ESG evaluation system, which consists of the overall ESG score, three pillar scores (namely environment, social responsibility and corporate governance) and 10 thematic scores. The rating system fully considers major national policies such as green, carbon neutrality, rural revitalization. Based on the evaluation system, CICC independently developed a scoring model. The ESG score covers more than 8,000 bond issuers and listed companies in China, and CICC is gradually accelerating the application of the ESG score in investment research practice.



03 Practicing Responsible Finance

In response to ESG risks in the investment process, CICC Asset Management has also established an ESG risk management system, covering the whole process of before, during and after the event, and actively promoted the construction of information systems and ESG communication and training.

Information system construction

- ESG rating management
- ESG investment research management
- Portfolio ESG risk monitoring

Communications and training

- In-house training
- Training from external third-party organizations

Risk Management System of CICC HKAM

Pre-event management

- ESG factors are considered in the pooling management of investment targets
- Identify ESG risks in industries and listed companies

In-process management

- ESG rating tracking
- Pre-set thresholds to trigger risk alert and risk notification

Post-event management

- Stress test
- Stewardship

3.4.3 Investment management system

CICC Asset Management has incorporated ESG factors into relevant business processes and integrated ESG factors into the existing investment research process through digital systems. Through the internal investment research system, ESG information is readily available for reference by investment managers and researchers. Additionally, risk control and middle and back office teams can inquire ESG information and monitor ESG risks through the system, realizing efficient linkage between front, middle and back office.

CICC HK AM has independently developed ESG-related modules in CHAMPs, an internal investment analysis and management system, covering various asset classes such as stocks, bonds, commodities, etc. to provide ESG-related information and data to investment managers and researchers for reference through the digital system. Meanwhile, 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. Moreover, in order to meet the management and disclosure requirements of the Hong Kong Securities and Futures Commission on climate related risks, the teams further developed the climate related risk monitoring function in the ESG module of CHAMPs, covering climate related risk stress test and investment 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 investment portfolio in a timely manner.



04

Improving Service for Clients

On the road of serving the society and offering financial services for the people, CICC people have worked tirelessly and forged ahead. Adhering to the core values of "Professionalism and Diligence, Innovation and Entrepreneurship, Clients First, and Integrity", CICC has always carried out its business with high standards and continuously created value for clients with its world-class professional capabilities.



04 Improving Service for Clients

Respond to United Nations Sustainable Development Goals (SDGs)	Our Actions
	<ul style="list-style-type: none"> • Ensure that CICC provides clients with professional and high-quality products and services to protect their rights and interests • Steadily promote the digital construction of the Company's key areas and innovate products and services • Expand and deepen our warm services from multiple dimensions such as optimizing business processes, expanding network layouts, and enhancing customer communication • Investor education activities reach out to young people, universities, enterprises and communities

4.1 PROTECTING THE RIGHTS AND INTERESTS OF CLIENTS

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, regulatory provisions, and policy documents, together with the *Protection of Investor Rights and Interests Policy* (《投資者權益保護制度》) and other internal administrative measures, CICC has protected legitimate rights and interests of investors in an all-round way. We have set up an Investment Insurance and Investment Education Committee to take charge of works in relation to protecting the rights of Company's clients and conduct annual assessment and evaluation to client protection works among different departments and branches.

4.1.1 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 business segments to ensure professional, high quality products and services for customers.

In terms of asset management, the Company takes private asset management plans as main products. We have strictly complied with the requirements of regulatory regulations, self-discipline rules and relevant policies, as well as the Company's *Measures for the Qualification of Clients of the Asset Management Department* (《資產管理部客戶資格審核辦法》) and other internal control systems. We have established customer access standards, business relationships, account opening approval and daily monitoring processes to minimize possible risks and losses.

In terms of private equity, the types of funds managed by the Company cover RMB corporate equity investment funds, Funds of Funds, real asset funds, US dollar corporate equity investment funds, etc. We have formulated strict quality control systems and documents in all aspects of fundraising, investment, management and withdrawal, so as to be more refined and stronger with our expertise, and accompany the growth of enterprises with patient capital.

04 Improving Service for Clients

Links	Main systems	Quality control contents
Fundraising	The <i>Rules on the Management of Investor Suitability</i> (《投資者適當性管理細則》)	Clearly regulate the classification of investors, the grading of products and services, suitability matching, internal control requirements, etc., and strengthen its own suitability responsibilities.
Investment	The <i>Operational Guidelines for Decision-making on Investment</i> (《項目投資決策流程規範操作指引》)	Standardize and manage the core links and key points of the whole investment decision-making process, such as project preliminary screening, project approval, due diligence and agreement negotiation.
Management Withdrawal	The <i>Post-investment Management System</i> (《投後管理制度》) and The <i>Guidelines for Post-investment Management</i> (《投後管理工作指引》)	For investment projects that have been invested and not exited, effectively prevent and control their post-investment risks, and improve internal control management requirements.

In terms of wealth management, the Company is primarily engaged in six businesses including asset management, stock pledge and financial product distribution. Practicing the concept of fee-based investment advisory, we focus on client interests to meet client needs, and upgrade our services from “selling products” to “selecting products” and “managing products”.

Financial product distribution

- In accordance with the *Regulations on the Administration of Financial Products Sold by Securities Companies on an Agency Basis* (《證券公司代銷金融產品管理規定》) and other laws and regulations
- Formulate internal control systems including the *Administrative Measures on Financial Product Sales Business* (《金融產品銷售業務管理辦法》) and the *Implementation Rules for the Proxy Sale Business of Private Placement Products* (《私募產品代銷業務實施細則》)

Asset management product acting as a manager

- In accordance with 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》) and other laws and regulations, as well as the relevant self-discipline rules of the Asset Management Association
- Formulate internal control systems including the *Administrative Measures on Asset Management Business* (《資產管理業務管理辦法》), covering research, investment decision-making, transaction execution, accounting, information disclosure and other links

Mini 50 (微50) services acting as an investment advisor

- In accordance with the *Interim Measures for the Administration of Securities and Futures Investment Consulting* (《證券、期貨投資諮詢管理暫行辦法》) and the *Interim Provisions on Securities Investment Consulting Business* (《證券投資顧問業務暫行規定》)
- Formulate management systems including the *Mini 50 Portfolio Investment Advisory Service Agreement of CICC Wealth Management* (《中金財富微50組合投資顧問服務協議》) to further strengthen the management and control of business

Beneficiary certificates transactions

- In accordance with the *Measures for the Administration of the Over-the-Counter Market of Securities Companies (Trial)* (《證券公司櫃檯市場管理辦法(試行)》) and other self-discipline rules
- Formulate internal control systems including the *Implementation Measures for Beneficiary Certificate Business* (《收益憑證業務實施辦法》) and the *Regulations on the Management of Over-the-Counter Market Transactions* (《櫃檯市場交易管理細則》)

Pledged quotation and repo

- In accordance with the *Measures on the Trading, Registration and Settlement of Pledged Quotation and Repo* (《質押式報價回購交易及登記結算業務辦法》) and other laws and regulations
- Formulate internal control systems including the *Administrative Measures on the Quotation for Pledged Quotation and Repo Business* (《質押式報價回購業務報價管理辦法》)

4.1.2 Information security and privacy protection

In terms of information security and privacy protection, the Company has strictly abided by the *Personal Information Protection Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *Cybersecurity Law of the People's Republic of China* and other laws, regulations and requirements, and has formulated a series of systems including the *Measures for the Management of Network and Information Security* (《網絡和信息安全管理辦法》), the *Data Security Management Specifications* (《數據安全管理規範》), the *Data Classification Management Specifications* (《數據分類分級管理規範》), the *Data Life Cycle Security Management Specifications* (《數據生命週期安全管理規範》), and the *Data Access Management Specifications* (《數據權限管理規範》) to conduct classified and graded management of data in all relevant business lines, and take appropriate protection measures for different levels of data. The Company manages data in whole life cycle, and standardizes data collection, transmission, storage, use, deletion, and destruction. For data access management, the corresponding approval process has been formulated according to the level and particularity of the data. The Asset Management Department has adopted advanced encryption technology to encrypt the storage and transmission of client data, implement strict access control, conduct regular security audits and vulnerability scans, and discover and repair system security vulnerabilities in a timely manner.

04 Improving Service for Clients

In view of the information security and privacy risks that may be brought about by the introduction of business partners and suppliers, the Company has formulated the *Guidelines for Procurement Specifications and Information Security Management of Intermediaries* (《中介機構採購規範和信息安全管理指引》), which standardizes the selection and use process of business partners and suppliers, strengthens the information security management in the selection and use process, and raises awareness of confidentiality and information security risks, so as to ensure the compliance and security of related work. At the same time, CICC will not rent, sell or provide personal information to third parties for purposes other than completing transactions/services.

CICC has established an information technology 1.5 line of defense management system to form a full-link risk management of information technology risks before, during and after the event. CICC regularly carries out special risk assessments in key areas to actively identify and investigate information technology risk points, and has established and improved systems related to information technology risks to strengthen the full life cycle management of information technology risks, covering identification, assessment, disposal, tracking and monitoring. We minimize the possibility of information security incidents by strengthening reviews and risk assessments, and also adopt alarm response, incident handling, and a sound emergency guarantee mechanism to properly handle possible accidents.

The Company maintained the ISO 27001 system regularly every year, and successfully passed the China Cybersecurity Review Technology and Certification Center (CCRC) annual supervision and verification in April 2023. In 2023, the filing, testing and evaluation of 12 sets of systems were completed. According to the information security equipment rules of the Company, the Breach and Attack Simulation (BAS) security effectiveness was verified every two months. In addition, we regularly conducted compliance training for all employees (including regular employees and other personnel dispatched to the Company) to enhance their awareness and skills on information security and privacy protection, thereby improving management efficiency and level. During the Reporting Period, a total of 293 special training were carried out, including 102 internal technology sharing, 21 external technology sharing, 97 business learning sessions, 55 project management sessions and 18 system training.

Key Information Security Management Measures of CICC



Building a Strong Barrier for Information Security and Privacy Protection

APP design and development: Follow the principle of minimum collection unit, and clearly disclose the Company's privacy policy to users when the APP is launched, so that users can understand the collection and application of information.

APP release: Pass the security test of the Company and third-party platforms, and be released and launched without error.

Use of products and services: If client permissions and information are involved, users are clearly informed for their authorization. Users will also have the right to access, correct and delete their personal data.

Risk prevention and control: Establish a normalized system fault drill mechanism on the client platform to improve the disaster tolerance ability for online anomalies and the ability to effectively solve problems to vigorously protect clients' daily investment transactions.

4.1.3 Practicing responsible marketing

The Company has strictly abided by the laws and regulations on the authenticity of advertisements and risk warnings in its products and services, and has formulated a series of internal control systems including the *Marketing Activities Compliance Guidelines* (《市場營銷活動合規指引》) and the *Compliance Guidelines for the Speech of Participants in Marketing Activities* (《市場營銷活動參與人員言論發表合規指引》) in all business sectors covering Investment Banking, Equities, FICC, Asset Management, Private Equity and Wealth Management. The Company pays attention to the rationality and legitimacy of product and service marketing activities from the aspects of marketing personnel qualifications, use of marketing copywriting, employee behavior management, adequate risk disclosure, and appropriateness management. All kinds of marketing materials will be reviewed and approved by the relevant departments of the Company before they are put into use, and these departments will supervise and promote the rectification of the use of marketing materials.

4.2 INNOVATING PRODUCTS AND SERVICES

Taking into account of the new requirements of the state for developing "digital finance" with high quality, the Company regards digital transformation as one of the most important medium and long-term strategies. We have steadily promoted the digitalization of key areas of the Company to unleash the value of digitalization to empower business operation and management improvement, and effectively enhance the customer and employee experience. In terms of data asset management, the Company has promoted the construction of systems related to client data management and the precipitation of data assets. In terms of information technology infrastructure, we have continued to consolidate the scientific and technological foundation of the data platform, operation and maintenance middle platform, and technology middle platform. During the Reporting Period, the Company made a total of 38 achievements in scientific and technological highlight innovation, with 23 awards and project declarations, 5 standards, and 10 award-winning articles.

04 Improving Service for Clients

Taking the wealth management sector as an example, the Company launched the digital human Jinn in CICC Wealth Management, created an industry-leading investment advisory service platform – E-Space, and innovated financial technology products such as the customer service platform of CICC Wealth Management. In addition, we launched the “Wealth Planning Account” (財富規劃賬戶) function to help customers reorganize and recognize their financial needs according to the time dimension, and provide asset allocation support based on different demand scenarios.

In the asset management sector, we developed our own CHAMEQs stock quantitative framework, which is connected to a high-performance market database and uses multi-core and multi-threaded parallel computing to facilitate multiple investment managers and researchers to design, test and combine multiple strategies at the same time. The system can flexibly select broad-based/thematic indices based on customer needs, and design corresponding market tracking and quantitative enhancement strategies according to investment preferences, so as to provide customers with customized, quantitative equity investment solutions.

In order to encourage scientific and technological innovation, we also carried out the first company-wide innovation and skill competition themed “innovation & achievements”, covering innovation, skill and suggestion, with focus on technical research, business scenarios, enterprise high-quality development and other dimensions to unleash the innovation potential within the enterprise. In May 2023, CICC held the first CICC extreme programming competition against the backdrop of carbon neutrality strategy.

Focusing on the layout of doing well in the five major fields, namely science and technology finance, green finance, inclusive finance, pension finance and digital finance proposed by the Central Financial Work Conference, we also applied financial innovation to speed up business and product innovation in related fields and support the high-quality development of financial sector.

Inclusive finance

Focusing on the national strategy of revitalizing Northeast China in an all-round way, the private equity segment promoted the establishment of Jilin Emerging Agricultural Tourism Private Equity Fund (吉林新興農旅私募基金). The fund focused on new economic formats, including local rural revitalization, smart agriculture, culture and tourism, health, and advanced manufacturing, to further give full play to the advantages of superior agricultural conditions and well-established industrial foundation in Northeast China, so as to help local high-quality development. The fund completed its filing in September 2023.

Pension finance

Taking into account of the investment concept of being safe and stable and pursuing long-term appreciation of pension funds, the asset management segment developed a CICC Ruiying Equity Pension Product (中金瑞盈股票型養老金產品) with quantitative value selection strategy as the core, and took the profitability and performance growth of listed companies as the main basis for selecting individual stocks, superimposing quantitative risk models and portfolio optimization algorithms to improve the product’s return-risk ratio, as a way to provide an innovative pension product that balances robustness and yield flexibility for annuity funds.



4.2.1 Protection of intellectual property rights

The Company observes 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 have gradually improved 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 to protect the rights and interests of the Company as an intellectual property owner. 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.

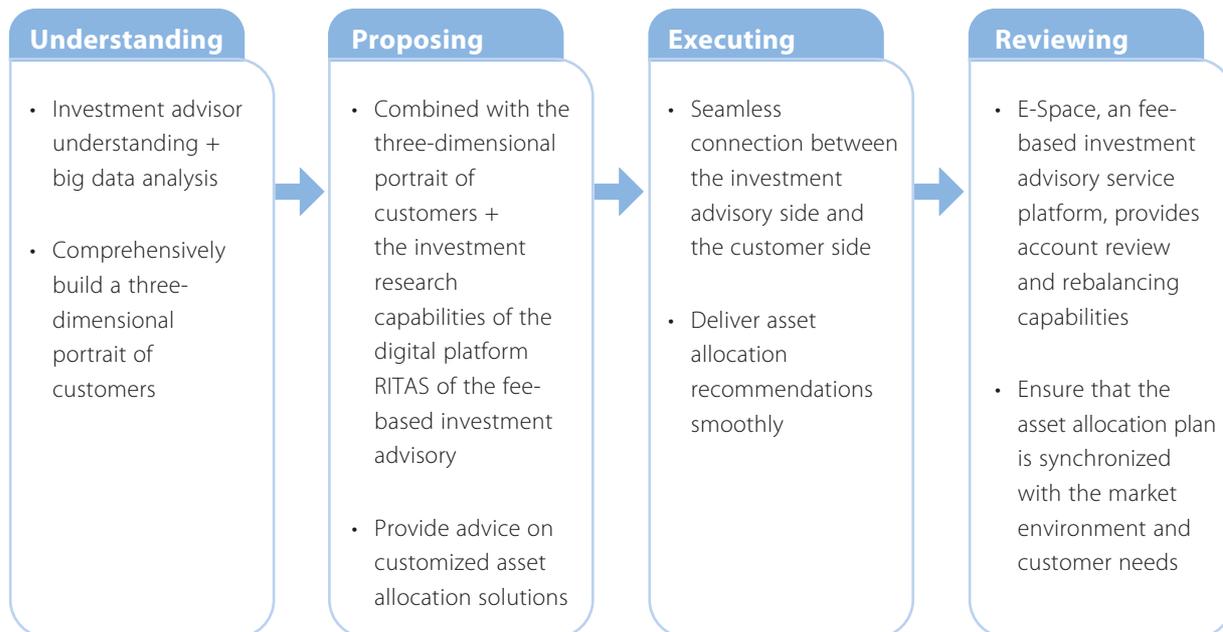
4.3 IMPROVING CUSTOMER EXPERIENCE

We are committed to injecting deeper connotation into the “customer-centered” concept, and work to expand and deepen our warm services from multiple dimensions such as optimizing business processes, expanding network layout, and promoting customer communication.

In terms of organizational mechanism, CICC has continued to deepen the cross-departmental integrated operation system for the Company’s strategic customers and build synergistic service advantages of CICC around key customer groups to unblock information sharing, resource exchange, and product innovation collaboration and improve supporting mechanisms so as to build customer-centered innovative service competitiveness. In specific service scenarios, taking the wealth management segment as an example, we launched a “four-step customer experience” service system to provide customers with customized and high-quality services in the four stages of understanding, proposing, executing and reviewing.

During the Reporting Period, we received a total of 45 customer complaints, with a satisfaction rate of 63% for complaint handling and 96% for customer consultation.

“Four-Step Customer Experience” Service System of CICC Wealth Management



04 Improving Service for Clients

Series Measures of CICC Wealth Management to Enhance Customer Experience

Optimizing business processes

Offline

- The iMeet visitor system supported real-time collection of customers' in-store behavior tracks, and linked with E-Space to launch visitor management functions to realize intelligent push of in-store information and upgrade customers' in-store experience.
- Efforts were made to optimize the account opening process, sort out the review criteria, reduce the review rejection rate, and control the account opening time within 5 minutes.

Online

- The transformation of two-person witness to one-way video in the online hall business was completed to solve the problem of queuing for customers' offline business processing.
- The intelligent customer service was popped up online to support 7*24 hours service with a hit rate of 96%. 16 electronic transformations of customer return visits were completed for the suitability of network hall business.

Optimizing the presence of branches

- Actions were taken to increase the coverage of coastal economically developed cities, resource-based cities and top 100 cities and counties, and upgrade the branches of key cities such as first-tier and provincial capitals to focus on cities and regions where wealthy customers and industry talents gathered.
- New branches were set up in two blank cities, namely Tangshan, Hebei Province and Tongxiang, Zhejiang Province.

Promoting customer communication

- The self-developed marketing management system focused on providing customers with online live broadcast and offline event services, and realized the automatic management of the whole process of activities to improve the efficiency of marketing activities.

Dealing with customer complaints

- Special management: The *Measures for the Administration of Customer Complaint (2023 Revised Edition)* (《客戶投訴管理辦法(2023修訂版)》) was formulated to refine the responsible subject, handling principles and processes for complaint handling.
- Dedicated team: A customer service agile team was set up to deal with all customer complaints.
- Channel publicity: The complaint channels and handling processes were publicized in a prominent position on the website, business branches, customer-end and other channels to protect the rights and interests of customers.

Serving special groups

- Age-friendly interface: Larger font size and the function of "one-click verification with mobile phone number" were provided.
- Convenient service: Voice services were provided, including voice verification code, voice information, voice input, etc.; manual services were provided to facilitate the effective contact of senior customers in case of encountering difficulties.
- Risk disclosure: Secondary confirmation or agreement confirmation were provided for high-risk businesses to help senior customers better understand business risks and invest prudently.

4.4 POPULARIZING FINANCIAL EDUCATION

With the continuous emergence of financial products, the endless temptation of high returns, and more and more hidden fraud methods, the public's financial and investment knowledge have been required increasingly. We have a responsibility to help investors adapt to new changes, guide them to establish a rational investment philosophy, and avoid the harm of illegal activities.

The Company has formulated internal management measures such as the *Work System on Investor Education* (《投資者教育工作制度》) and 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》), and is committed to continuously deepening investor education.

Investment Education Activities in Various Forms of CICC Wealth Management

Containment at source

- CICC Wealth Management followed up on clues related to illegal securities and futures activities learned by the company, including criminals impersonating the name of the company or employees to induce investors to download fake trading software and transfer and remit money, organized and carried out verification work to assist the employees, investors, and branches involved to report the case through the local public security department, the national anti-fraud APP and other channels.

Offline publicity

- Three offline investment education bases were built in Bao'an, Shenzhen, Zhengzhou, Henan, and Baoding, Hebei to create an immersive offline experience of investor education.
- 8,029 financial education publicity and popularization activities were organized and carried out by inviting investors to branches, investment education bases, communities and schools, with 5.66 million participants with the support of 236 branches across China and three physical investment education bases.

Online publicity

- Normalized publicity: Announcements on vigilance against illegal securities activities were regularly issued through the company's WeChat subscription account, official website, computer client, customer APP and other channels.
- Investment education platform: efforts were made to create a short video platform for fee-based investment advisory service and an investor education content matrix on the WeChat platform to promote the presentation of investment education content in the form of short videos and online classes that are more acceptable to investors.

In 2023, CICC Asset Management published 100 articles of investment education graphics online and launched 51 investment education live broadcasts, with more than 1 million viewers, and held more than 80 offline investment education activities to reach out to young people, enterprises and communities, and popularize the latest developments and trends of the financial industry to investors, including young students and senior groups, as a way to improve investors' awareness of risk prevention and self-protection capabilities.

In addition, we implemented the national strategic plan on the integration of investor education into the national education system, and responded to the initiative of the Securities Association of China to bring "investment education in 100 schools". We actively participated in the "investment education in ethnic universities" (投資者教育走進民族高校) activity, and carried out in-depth cooperation with the Central University for Nationalities, so that multi-ethnic students could better understand the capital market, establish correct risk awareness and investment concepts, and cultivate practical financial thinking and financial skills. The investment education of the Company was awarded the A grade in the 2023 investor education evaluation announced by the Securities Association of China.

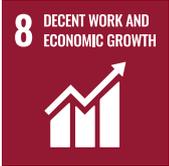
05

Growing with Our People

CICC has always adhered to the original mission of “by the people and for the nation” and has regarded talents as the first resource and the key to promoting the high-quality development of the cause. Efforts have been made to effectively protect the rights and interests of employees, implement the strategy of introducing and cultivating high-quality talents, standardize the career promotion channels of employees, optimize the talent training system, and improve the welfare system to enhance the talent team to a new level.



05 Growing with Our People

Respond to the United Nations SDGs	Our Actions
    	<ul style="list-style-type: none"> • Employer value: broad and diversified career prospects, top-notch professionalism across the industry, a worthy cause of international influence • Employer brand slogan: Join CICC—We shape the future together • CICC won a number of employer brand awards including “2023 China’s Best Employers” and “2023 China’s Best Employers for Digital Responsibility” from Forbes China.

5.1 SAFEGUARDING THE RIGHTS AND INTERESTS OF EMPLOYEES

We have strictly complied with the *Labor Law of the People’s Republic of China*, the *Labor Contract Law of the People’s Republic of China* and other applicable laws and regulations in the places of operation, and have standardized the management systems related to employee compensation, recruitment and promotion, working hours, holidays, equal opportunities, diversity, anti-discrimination and other benefits in each process to protect the rights and interests of employees.

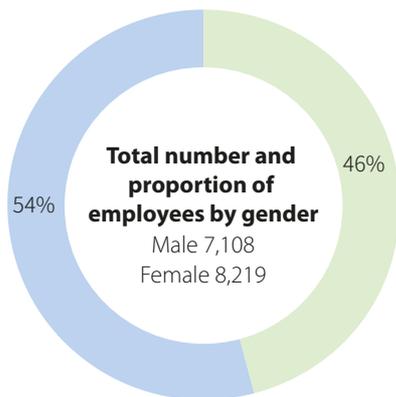
Recruitment	The <i>Recruitment Management System</i> has been formulated to clarify the code of conduct of recruiters, and specify rules of “fair competition, objectiveness and justice, comprehensive assessment, merit-based selection, legal compliance, evidence-based practices”.
Equal opportunities	We resolutely oppose all forms of discrimination and unequal treatment, and ensure that employees are provided with a recruitment and development system that is not affected by gender, age, religion, race and other factors.
Preventing child and forced labour	<p>We abide by the <i>Law of the People’s Republic of China on the Protection of Minors</i>, the <i>Provisions on the Prohibition of Using Child Labor</i> and other laws and regulations, and avoid the use of child labor and forced labor through information review, confirmation and voluntary signing of labor contracts in the recruitment and hiring process.</p> <p>During the Reporting Period, the Company did not have any violations such as forced labor or child labor.</p>

05 Growing with Our People

5.1.1 Creating a diversified environment

Adhering to the concept of “Chinese Roots, International Reach”, the Company is committed to absorbing talents with diverse backgrounds, fully respecting the individual differences of talents, and ensuring equal treatment and respect for diversity. In order to help the introduction of local talents, and enhance the attraction, retention and development of corporate talents, we have actively participated in the “Phoenix Scheme (鳳凰計劃)” project in Chaoyang District, Beijing, and the high-level talent project in Shenzhen, etc., to help employees with high morals, leading performance and outstanding capabilities apply for talent recognition awards.

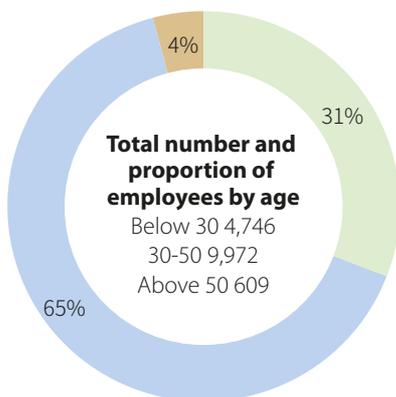
Total number of employees
15,327



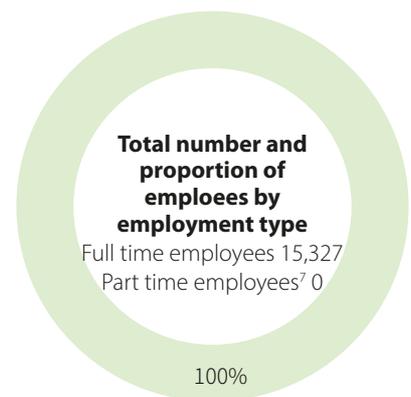
Male Female



Domestic regions (including Hong Kong, Macao and Taiwan) Overseas



Below 30 30-50 Above 50

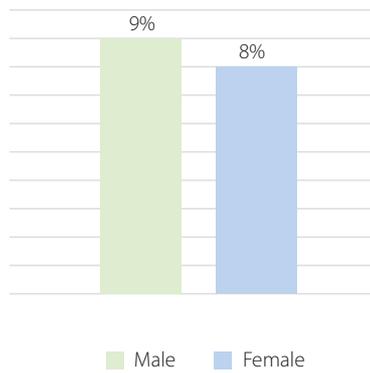


Full time employees Part time employees

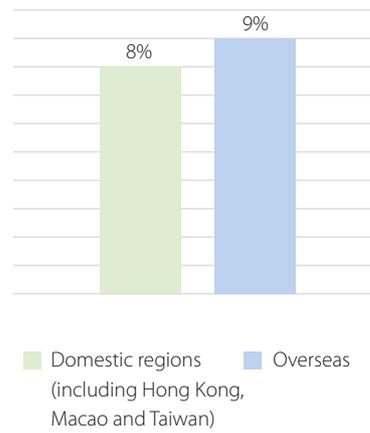
⁷ Part time employees refer to the definition of “Non-full time employees” in the *Labor Contract Law of the People’s Republic of China*, representing a form of employment in which workers are mainly paid on an hourly basis, and the average working hours of employees with same employer generally shall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

Annual employee turnover rate
8%

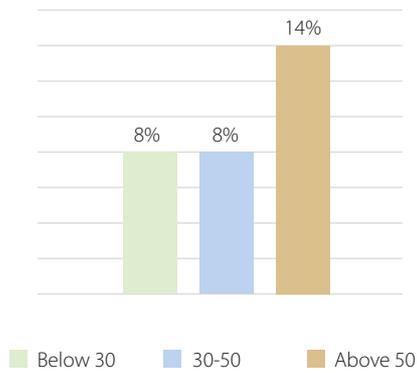
Annual employee turnover rate by gender



Annual employee turnover rate by region



Annual employee turnover rate by age



05 Growing with Our People

[Case] We actively promoted the employment of ethnic minority students, and cultivated high-quality talents with schools

In 2023, CICC established a cooperation with the minority studio of Shanghai University of Finance and Economics to jointly build an employment and internship base project. The project not only better assisted graduates in finding employment, but also allowed ethnic minority students to participate in the competition in the job market more equally, and introduced diversified talents to the Company. The project was awarded the “Excellent Case of the Ministry of Education’s Supply and Demand Matching Employment and Education Project” (教育部供需對接就業育人項目優秀案例). As of the end of the Reporting Period, CICC has 829 employees of ethnic minorities.

5.1.2 Listening to voice of employees

We have established open employee communication channels. By setting up CEO mailboxes and conducting irregular employee exchange meetings and quarterly employee meal satisfaction surveys, we have timely understood employee demands and created an open communication atmosphere, so that each employee can put forward their demands and be replied, as a way to continuously iterate the Company’s organizational management.

During the Reporting Period, we upgraded the method of sending letters to CEO Mailbox and revised the *CEO Mailbox Management Policy* (《CEO信箱管理政策》) to better listen to employees’ voices and solve the problems reported by employees.

5.2 CULTIVATING PROFESSIONAL TEAM

Based on the strategic guidance of “internationalization, regionalization, digitalization, and One CICC” of CICC, we have formulated a talent strategy of “Recruiting talents to empower the leadership. Gathering geniuses to connect the world”. We have deeply considered the external talent market and the Company’s talent advantages to build a sustainable human resources management system with a compelling employer brand, a robust talent pipeline, and an ever-increasing sense of professional well-being from the perspective of talent recruitment, training, and retention.

With the goal of “building a training system in line with world-class investment banks”, CICC has defined the strategy of “serving the strategy of the Company and focusing on key positions and groups” for building a training system. We build a diversified career development route for employees, and provide timely publicity for employees to ensure that they fully understand the hierarchical and classified talent training methods, which strongly guarantees the development of high-quality talents in the Company, and lays a foundation for the construction of a sustainable and high-quality talent echelon. In 2023, the Company successively revised and improved the *Management System for Training* (《培訓管理制度》), the *Scope and Use Standards of Employee Education Funds* (《職工教育經費列支範圍和使用標準》), and other management systems.

In addition, we provide employees with a fair and reasonable assessment and incentive mechanism that meets the relevant laws and regulations and compliance requirements in the place where the employee is located. The mechanism is stipulated in the *Employee Compensation Management System* (《員工薪酬管理制度》), with consideration of the professional proficiency and comprehensive quality of employees as a way to develop professional and high-quality talents with equal stress on integrity and ability.

Providing Supporting Guarantee for Talent Development

<p>Empower the development of internal trainers</p>	<ul style="list-style-type: none"> • In addition to strict control in recruitment, the “CICC Interviewer” project was implemented to train seed internal trainers. • HRBP empowerment training was conducted for internal trainers to help HRBP transformation. • In 2023, there were 27 new certified lecturers and 24 reserve lecturers. By the end of the Reporting Period, there were 55 certified lecturers and 24 reserve lecturers in accumulative total.
<p>Enrich learning resources</p>	<ul style="list-style-type: none"> • In addition to diversified offline training, we also built digital training platforms such as the CICC Wealth Management Investment Advisory Learning Platform (中金財富投顧學習平台) to provide employees with flexible and vivid learning resources. • Highly interactive learning formats were introduced such as “Management Red Line Workshop” (管理紅線工作坊) and “Professionalism Workshop” (專業精神工作坊). • Additional 20 online induction training courses were developed to avoid the problems of occupying collective time by traditional classroom teaching, untimely learning of video recording courses, and poor results.



Improving the Full-cycle Training System for Employee Growth

Intern training	A special area was set up for intern training on the training platform to promote all departments to further strengthen the education and management of interns.
New employee training	In the training for new employees from traditional social recruitment and on-campus recruitment as well as promotion training projects, we embedded discipline education content to strengthen the moral education of all employees on “keeping the bottom line, pursuing the high line”.
Leadership training	We focused on the growth needs of newly promoted employees. With understanding and execution of strategies, management skills and leadership as the core, the content and methods of the training courses for newly promoted employees were comprehensively optimized, and three modules were set up: training on integrity practice as well as ethics and compliance, leadership training, and strategic force training. Online and offline training were carried out in a layered, classified and phased manner for newly promoted personnel at all levels, and the training of 1,407 newly promoted managers were completed.

[Case] Help new employees adapt and integrate faster

In 2023, we carried out new employee training with focus on CICC’s unique history, culture, values, business and talent proposition to help more than 1,000 new employees integrate faster.

- New employees employed via on-campus recruitment: Combined with the characteristics of young employees of “Generation Z”, we strove to create a training camp of “making steady progress for the future” (行穩致遠創未來), innovated learning links such as “online and offline learning exams”, “business market” and “final roadshow for graduation”, and improved the quality and efficiency of training by creating themed peripheral products, setting up counselors, team points PK, camp culture building, high-quality logistics support and other multiple ways.
- New employees employed via social recruitment: We focused on behavior training, management red lines and business training, and set up three stages of learning tasks on the first day to work, within a week, and within a month, to help new employees quickly understand the management requirements of the Company’s business.

[Case] CICC Institute: “Leadership for All” training camp

In order to empower talent growth and organizational development, CICC Institute has designed and organized the “Leadership for All” training camp to provide convenient channels and professional counseling for employee leadership development with a combination of online and offline forms.

“LEADING YOURSELF” (領導自我)

- For all employees
- Cover more than 300 people
- During the Reporting Period, a total of 2 phases were carried out
- Help students better understand themselves and strengthen their sense of ownership

“LEADING TEAMS” (領導團隊)

- For middle and grassroots team leaders, employees with growth potential, and senior managers
- Cover nearly 200 people
- During the Reporting Period, a total of 2 phases were carried out
- Enhance the “leading” and “working” core competence of relevant personnel, and promote the development of organizational leadership

In addition, CICC Institute organized a series of open leadership courses for all employees through online and offline forms, with a total of 7 courses held in 2023, covering more than 1,000 people.

CICC Institute also provides customized training programs for departments, aiming to help department managers improve their role awareness, consolidate their basic management skills, and further improve their internal management capabilities. During the Reporting Period, a total of 4 training sessions were organized, covering more than 200 people.

[Case] Encourage employees to obtain relevant qualifications

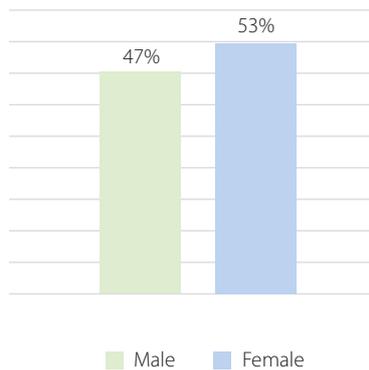
CICC encourages employees to take the initiative to learn and develop into multi-skilled professionals. According to the *Management System for Training of the Company*, for CICC’s regular employees who are on board and temporary staff (e.g. interns and dispatched staff) who have been on board for one year or more, we reimburse employees for participating in the regulatory qualification examination and follow-up training. In addition, for regular CICC employees who have passed the probationary period, we encourage employees to register for job-related qualification tests based on their own career development needs and relevance to the job they are doing. After employees pass the examination or obtain the qualification certificate, the Company will reimburse the examination fee, registration fee, and membership fee necessary to retain the qualification.

CICC Wealth Management has formulated the *Measures for the Management of Employees* (《從業人員管理辦法》) and the *Compliance Guidelines for the Management of Employee Registration and Qualification Registration* (《關於員工從業登記與資格註冊管理的合規指引》), and has completed the company-wide *List of Requirements for Position-Employee Certification* (《崗位-員工取證要求清單》) to strengthen the management of employees’ professional qualifications, and encourage marketing personnel to actively obtain investment consulting qualifications.

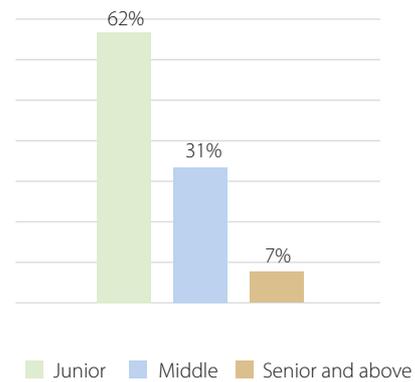
05 Growing with Our People

Total training sessions (times)	2,174
Total person-times of training⁸ (person-times)	611,830
Amount of training expenses (RMB10 thousand)	598.7

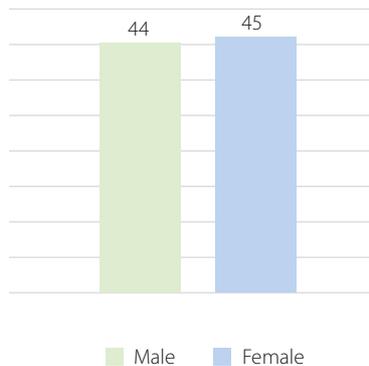
Percentage of employees trained by gender



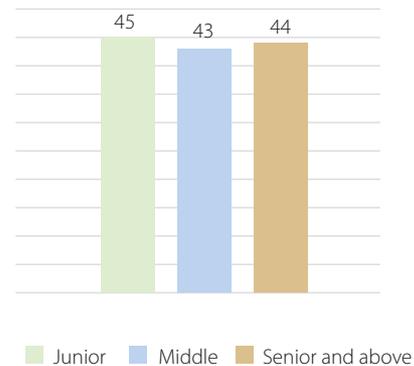
Percentage of employees trained by employees category



Average training hours completed per employee by gender (hours/person)



Average training hours completed per employee by employee category (hours/person)



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.

⁸

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

5.3 CARING FOR EMPLOYEES

At CICC, employees are regarded as “internal customers”. We pay attention to the happiness and sense of fulfillment of employees while focusing on their career development. Through the extensive coverage and in-depth expansion of employee care, we ensure that employees’ demands in the workplace are valued, their happiness steadily increase, and they can make self-achievement while creating more value for the Company and society.

During the Reporting Period, the Company did not have any violations related to employees’ occupational health and safety. Number and percentage of work-related fatalities in each of the past three years (including the reporting year) were 0. In 2023, lost days due to work injury was 394 days.

Providing Employees with a Competitive Welfare System

- | | |
|-----------------------|---|
| Fundamental guarantee | <ul style="list-style-type: none"> • The <i>Employee Handbook</i> stipulates the leave policy. Statutory and supplementary leave, sick leave and other types of leave are higher than the level stipulated by law. At the same time, marriage leave, maternity leave, childcare leave and nursing leave are implemented in accordance with local policies. • The <i>Employee Welfare Management System</i> (《員工福利管理制度》) has been formulated to provide employees with statutory benefits and a variety of supplementary benefits, including statutory social insurance, housing provident fund, supplementary medical insurance, enterprise annuity, etc. |
|-----------------------|---|

- | | |
|----------------------------|---|
| Physical and mental health | <ul style="list-style-type: none"> • We follow the <i>Measures for the Administration of Occupational Health Examination</i> and other laws and regulations. In recent years, we have successively launched a variety of staff care services such as family doctor consultation (家庭醫生問診) and green pass for medical consultation (就醫綠通) to help employees carry out comprehensive health management. • We provide CICC “Xinleyuan” (心樂源) consulting services, carry out employee care programs and “Healthy CICC People” (健康中金人) series training, and regularly provide training seminars on mental health, physical health, moral character and spiritual culture for all employees. During the Reporting Period, a total of 4 sessions were carried out, covering a total of 840 person-times. • We have established 5 employee fitness venues to provide good fitness services for employees. • We strengthened the “Vitality of CICC” (活力中金). Taking Women’s Day, Labor Day, Children’s Day, Dragon Boat Festival, Mid-Autumn Festival, National Day and other festivals as an opportunity, we organized more than 100 cultural and sports activities, attracting a total of 20,000 person-times. • A series of cultural and sports associations have been established to carry out badminton matches, basketball games, walking and other activities, attracting more than 3,000 employees. |
|----------------------------|---|

05 Growing with Our People

Daily care

- We deepened the construction of "Warm CICC" (溫暖中金) and carried out statutory holidays condolences: covering a total of 52,000 person-times of trade union members in 2023.
- Other care and regards : In 2023, we extended our regards to 13,900 employees for birthday, 230 employees for wedding, 185 employees for maternity, and 36 employees in hospital.
- Assistance for difficulties: We carried out serious illness relief work for more than 50 employees and their families, and visited 23 employees in extreme poverty.

Female employees

- We carried out the "Female Employee Care Action" (女員工關愛行動), focusing on marriage and love services, physical and mental health, rights and interests protection, etc., and organized a number of special theme activities to effectively enhance the happiness and sense of gain of female employees.

[Case] Build CICC workplace life first aid system

We built an internal "golden four minutes" first-aid network, and purchased 54 automated external defibrillator (AED) machines. We held about 70 professional training sessions on life first aid, and trained 1,882 first aid personnel (of which 1,850 have obtained professional first aid certificates), from which 678 "Xiaofeixia" (小飛俠 for CICC headquarters) and "Shandianniu" (閃電牛 for CICC Wealth Management) first aid team members were recruited, covering 100% of all floors of 11 long-term rental office buildings in Beijing, Shanghai and Shenzhen. The first batch of CICC Wealth Management pilots covered 24 offices in Beijing, Shenzhen and other places. During the Reporting Period, 7 all-element unscripted drills were organized.

- We promoted the concept of public welfare in the workplace, to motivate employee volunteers to participate in public first aid actions spontaneously and continuously, and integrate the values of employees, enterprises and society;
- Relying on advanced services in the industry, we have launched large-scale training in first aid skills, established a "four-in-one" (四位一體) first aid system, and realized the full coverage of the "golden four-minute" (黃金四分鐘) life-saving service, so as to solve the difficult social problem of first aid in complicated building spaces;
- We have improved our organizational culture, rules and regulations, organizational structure, logo system, internal and external publicity, incentive system and other online and offline self-governance mechanisms to ensure the sustainable development of the first aid team and its public welfare activities;
- As a benchmark of public welfare first aid action in the industry, we have actively shared our experience and practices, pushed the direct management system of our superior unit to comprehensively launch first aid capacity building, and assisted the Capital Market Public Pro Bono Alliance in launching the "All for the Common Good" (萬眾益心) public welfare initiative for the whole industry;
- We have launched solid community services and popularized first aid knowledge and skills among the public to realize the purpose of serving the people and the social responsibility of financial enterprises through practical actions.

[Case] Ensure the occupational health and safety of overseas employees

CICC attaches great importance to the health and safety of its cross-border travel employees, and has taken systematic measures with reference to relevant standards such as the *ISO 31030 Guidelines for Organizations on Travel Risk Management* (《ISO 31030 差旅風險管理組織指南》) and the foreign affairs management system of the Company.

We rely on professional institutions to compile basic materials such as the *Overseas General Security Manual* (《境外通用安全手冊》) and the *U.S. Security Risk Manual* (《美國安全風險手冊》), and distribute them to outbound personnel through the service window

In response to special risks such as long-arm jurisdiction, more than 40 online courses have been developed, such as *Introduction to the U.S. Entry Process and Response to Special Scenarios* (《美國入境流程介紹和特殊場景應對》) and *Response to Racist Intrusion and Hate Crimes in the U.S. and the West* (《美西方種族主義侵擾及仇恨犯罪應對》)

Combined with the foreign affairs management system of the Company, we provide foreign affairs, confidentiality and safety education to outbound personnel in a systematic manner. During the year, we carried out nearly 10 special training, and sent nearly 100 pre-departure education emails

We use the information services of relevant professional institutions to carry out normal risk monitoring for the countries where overseas institutions are stationed and major travel destinations, and implement prediction and early warning of sudden risk situations

The Company also attaches great importance to the support and emergency response in travel. We have initially formed a support system and emergency response mechanism for travelers by utilizing a security team stationed in Hong Kong, overseas security professionals in Beijing, as well as an administrative security operation center of the Company, and relying on the travel assistance service with global coverage of international SOS.

05 Growing with Our People

5.4 OPEN AND INCLUSIVE CULTURE

In order to build a talent team with “CICC genes” (中金基因), the Company has continued to develop activities with cultural characteristics of CICC, created a good cultural atmosphere, and advocated a fashion of “loving reading, promoting thinking by reading, and guiding by thinking” as a way to enrich the cultural life of employees and build a learning organization.



“Delegates to the 20th CPC National Congress Come to CICC and Talk about Youth National Dream” (二十大代表進中金·共話青年家國夢) theme lecture



“Tell China’s Stories and Spread Chinese Traditional Culture” (講好中國故事·傳播中華傳統文化) theme lecture



“Understanding Great Virtues, Observing Public Moralities, and Guiding Private Conduct by Severe Rules” (明大德、守公德、嚴私德) theme teaching

06

Undertaking Social Responsibility

CICC has continued to develop the advantage of principal business. Guided by the guiding principles of the 20th CPC National Congress, CICC has comprehensively promoted rural revitalization and deeply cultivated rural financial fields to inject impetus into the development of “agriculture, rural areas, and rural residents”. We earnestly fulfill our social responsibilities, take the initiative to participate in public welfare undertakings, and continue to carry out public welfare projects in education, medical care, environmental protection and other fields, so as to contribute to the improvement of people’s livelihood and well-being.



06 Undertaking Social Responsibility

Respond to the United Nations SDGs	Our Actions
	<p>Serving rural revitalization</p> <p>During the Reporting Period</p> <ul style="list-style-type: none"> • Donated over RMB48.5 million to support public welfare and assistance programs • A total of RMB35.6 million was donated to support assistance work and rural revitalization, benefiting about 190,000 people • CICC Investment Bank (中金投行) completed projects related to rural revitalization with the transaction amount exceeding RMB120 billion • 107 charity activities were launched, with 1,757 person-times of employees participated • 6,533 hours of charity activities <p>As of the end of the Reporting Period</p> <ul style="list-style-type: none"> • CICC Global Institute has carried out rural revitalization research for three consecutive years, with a duration of more than 60 days, and covering 18 provinces, 54 counties, 116 towns and 250 villages across China in total <p>Devoted to public welfare</p> <ul style="list-style-type: none"> • We established a “Departmental Public welfare Contacts” (部門公益對接人) liaison mechanism and incentive mechanism • We published the <i>CICC Charity Handbook</i> (《中金公益手冊》) • CICC Charity Foundation was selected as the Model Foundation of the Year of 2023 China Charity Ranking (2023中國慈善榜年度榜樣基金會)

6.1 SERVING RURAL REVITALIZATION

CICC continuously improves a mechanism of guarantee, and promotes multi-level financial services to help revitalize rural industries, talents, culture, ecology and organizations, and unleash new momentum in rural areas.

6.1.1 Establishing mechanism of guarantee

In 2023, CICC compiled the *Guidelines for Paired Assistance in 2023* (《2023年助力定點幫扶工作指引》) and the *Implementation Opinions on the Incentive and Restraint Guarantee Mechanism for Temporary Cadres* (《掛職幹部激勵約束保障機制實施意見》), to improve the working mechanism by establishing a notification mechanism and strengthening assessment and incentives, and fully mobilized internal donation, introduction, consumption, industrial assistance, media publicity and other resources to gather a strong synergy to advance rural revitalization.

Improvement of Working Mechanism for Rural Revitalization by CICC

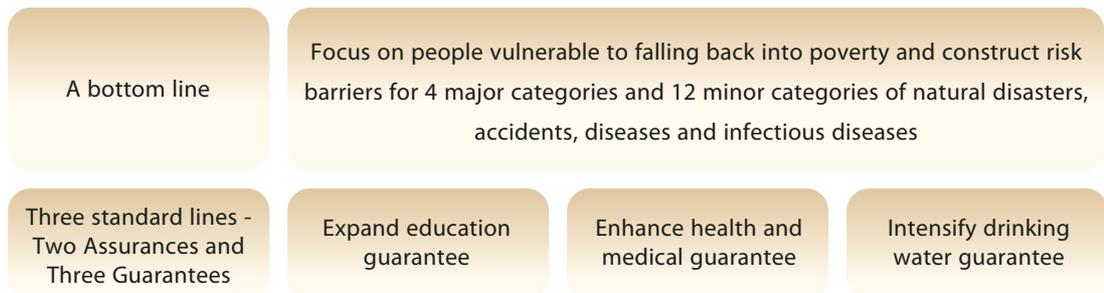
Strengthen incentives and restraint

- We formulated the *Implementation Opinions on the Incentive and Restraint Guarantee Mechanism for Temporary Cadres*
- We clarified the management requirements and assessment arrangements for temporary cadres, and encouraged and guided business backbones and outstanding young cadres to actively participate in paired assistance, rural revitalization and other work
- We continued to select one outstanding young cadre to serve as the temporary secretary of Liangzhuang Village, and did a good job in the assessment and appointment of cadres who had completed their temporary posts

Normal working mechanism

- We established a notification mechanism, regularly issued briefings on helping work, and gathered the systems of the Company to reasonably participate in paired assistance, rural revitalization and other work
- We promoted the formation of a normalized working mechanism of “upper and lower linkage, departmental coordination, and information sharing”

Concept of “Keeping the Bottom Line and Stabilizing the Standard Lines”



06 Undertaking Social Responsibility

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. The Company continued to improve the targeted assistance and paired assistance system and mechanism, and worked on rural revitalization in targeted assistance county (Huining County, Gansu Province) and four paired assistance counties (Guzhang County in Hunan Province, Yuexi County in Anhui Province, Kaizhou District in Chongqing, and Fengjie County in Chongqing) through assistance measures in industrial assistance, consumption assistance, education assistance and livelihood assistance.

Forms of Assistance	Major Initiatives
Industrial Assistance	<ul style="list-style-type: none"> We have helped Huining County, Gansu Province to build a gold-lettered signboard of “the hometown of China’s mutton sheep”, and cooperated with the county government to build a mutton sheep trading market in western China We have selected the invested enterprises in the development of new materials, agricultural product processing and sales to visit Huining County, Gansu Province and negotiate cooperation as a way to help attract business and investment
Consumption Assistance	<ul style="list-style-type: none"> We have procured agricultural specialty products from poverty-alleviation areas and counties such as Huining County and Jingning County in Gansu Province, as well as Xunhua County in Qinghai Province We have collaborated with both online and offline sales platforms to expand the sales channels for products from these supported counties We have participated in the first China Specialised Agriculture Development Summit and opened CICC Huinong Pavilion, providing a platform for exchange, display and cooperation in the development of specialty industries We have purchased 8,500 catties of rice from Guzhang County, Hunan Province and 18,000 catties of rice from Yuexi County, Anhui Province, and donated them to 3,639 students from 23 schools in Huining County, Gansu Province We have purchased 2,300 boxes of brown sugar from Kaizhou District, Chongqing Municipality and donated them to women and children in Tibet We have purchased 1,140 boxes of navel oranges from Fengjie County, Chongqing and donated them to Dandelion School in Daxing District, Beijing, to help students grow healthily
Education Assistance	<ul style="list-style-type: none"> We continued to build 16 “CICC-Joyoung Charity Kitchen” in Huining County, Gansu Province to improve the kitchen facilities in rural schools and enhance the capacity to prepare nutritious meals, benefiting over ten thousand teachers and students We have provided 809 children aged 0-3 in 46 administrative villages in Huining County, Gansu Province with early childhood education, and 54 local childcare counselors with jobs We have innovatively implemented the “Class on Dream for Sports” project, providing 12 types of sports equipment totaling 7,680 items to 48 primary and secondary schools, enriching the daily forms of physical education teaching 1,600 books were purchased and donated to Donghua Junior High School in Kaizhou District, Chongqing, benefiting 1,086 students 1,230 books were purchased and donated to Yong’an Middle School in Fengjie, Chongqing, benefiting 8,550 students

Forms of Assistance

People’s Livelihood Assistance

Major Initiatives

- We have provided “anti-poverty” insurance for impoverished households, three categories of vulnerable households (those at risk of falling back into poverty, those on the verge of poverty, and those facing sudden severe difficulties), and households relying on subsistence allowance and with orphans in Huining County, Gansu Province. This initiative constructed a risk barrier against four major categories: natural disasters, accidental incidents, diseases, and infectious diseases, covering 12 subcategories
- We conducted a three-day youth counselling training for 35 teachers in Huining County, Gansu Province, benefiting more than 7,800 people in 6 schools
- We continued to build 12 reservoirs in Huining County, Gansu Province with a total of 110,000 m³, supported by 12 pump stations and related facilities, benefiting nearly 2,500 people in 2 townships and 6 villages
- We have launched the “Angel Empowerment” medical assistance project, offering skill training and equipping digital diagnostic tools for 56 village doctors across 28 townships, comprehensively enhancing the professional and service levels of rural doctors
- We have donated to the People’s Government of Guzhang County, Hunan Province the medical relief fund for the prevention of returning to poverty due to illness, and funds for the development of women and children’s undertakings and the protection of their rights and interests
- We have donated to the People’s Government of Yuexi County, Anhui Province funds for the prevention of returning to poverty due to illness, funds for student assistance, funds for village (community) “emergency relief” mutual aid cooperatives, and funds for the construction of the rescue information system



The Company participated in the first China Specialised Agriculture Development Summit and opened CICC Huinong Pavilion (中金惠農館)



Sports training in Huining County, Gansu Province on the theme of “Class on Dream for Sports” (運動夢想課)

06 Undertaking Social Responsibility

6.1.2 Giving full play to financial advantages

CICC actively practices the political and people's nature of state-owned financial institutions, continues to provide professional, efficient and high-quality financial services, and supports the development of agriculture and livelihood industries to contribute more to the comprehensive promotion of rural revitalization.

In 2023, the Investment Banking Business of the Company completed projects related to rural revitalization with a transaction amount of more than RMB120 billion, including the IPO of Dekon Group in Hong Kong, the flash placement of H-shares of Hongjiu Fruit, the rural revitalization themed REITs of State Power Investment Corporation Chongqing Electric Power Co., Ltd., the "agriculture, rural areas, and rural residents" special financial bonds of China Merchants Bank and Agricultural Bank of China, the rural revitalization medium-term notes of Shanxi Road & Bridge Construction Group Co., Ltd., and the investor introduction by private placement of COFCO Fortune (中糧福臨門).

CICC Major Transaction Related to Rural Revitalization in 2023

In March	China Merchants Bank's special financial bonds on "agriculture, rural areas, and rural residents"	CICC, as the lead underwriter, assisted China Merchants Bank in successfully issuing China's first commercial bank financial bond with the theme of rural revitalization, with a scale of RMB5.0 billion.
In June	The first rural revitalization bill in Shanxi Province	CICC, as lead underwriter and bookrunner, successfully completed the issuance of the first tranche of 2023 medium-term notes (rural revitalization) of Shanxi Road & Bridge Construction Group Co., Ltd.
In July	China's first carbon neutrality green REIT with the theme of rural revitalization CICC 1-3 Year Selected Rural Revitalization Credit Bond Index Basket (中金公司 1-3 年期精選鄉村振興信用債指數籃子)	CICC, as the plan manager, successfully completed the issuance of the phase 2 carbon neutrality and green asset-backed special plan (rural revitalization) of the new energy infrastructure investment by State Power Investment Corporation Chongqing Electric Power Co., Ltd. The "CICC 1-3 Year Selected Rural Revitalization Credit Bond Index Basket" was launched at the National Interbank Funding Center, effectively activating the market liquidity of rural revitalization bonds.
In October	Jilin CICC Keyuan Emerging Agricultural Tourism Private Equity Fund Partnership (吉林中金科元新興農旅私募基金合夥企業)	CICC Capital, together with local fund management and investment companies, set up the first self-managed rural revitalization theme fund in Northeast China.
In November	"Insurance + Futures" service	CICC, together with CIC China Continent Property & Casualty Insurance Co., Ltd., provided "Insurance + Futures" services to farmers in Huining County, Gansu Province, and offered corn and pig price insurance for local farmers, with a total premium amount of RMB2 million.
In December	IPO of Dekon Group in Hong Kong	CICC delved deep into the corporate value, assisting outstanding food and agriculture enterprises in entering the Hong Kong stock market, serving the national strategy of the "comprehensive promotion of rural revitalization".
Promotion throughout the year	Promotion of the issuance of thematic bonds by the Agricultural Development Bank	CICC actively participated in the thematic bonds of "supporting urban-rural integration", "supporting spring plowing and preparation", "supporting the purchase, sale and storage of grain, cotton and oil" and "supporting the construction of high-standard farmland".



[Case] Jilin CICC Emerging Agricultural Tourism Private Equity Fund, a subsidiary of CICC Capital, completed the filing

Focusing on the national strategy of comprehensive revitalization of Northeast China, CICC Capital established Jilin Emerging Agricultural Tourism Private Equity Fund to help the high-quality development of Jilin's agriculture. In order to actively respond to the national strategy of promoting the comprehensive revitalization of Northeast China, CICC Capital established Jilin CICC Keyuan Emerging Agricultural Tourism Private Equity Fund, which was filed in September 2023. In the process of setting up the fund, it strongly supported by three levels of government, namely Jilin Province, Changchun City and Changchun Jingyue High-tech Zone, as well as industrial investors. The fund focused on new economic formats such as rural revitalization, smart agriculture, cultural tourism, health, and advanced manufacturing in Jilin, and actively supported industrial upgrading and rural revitalization in urban areas of Jilin Province.

6.1.3 Thematic research and special dissemination

- **Thematic research**

For a long time, CICC has made comprehensive use of the power of finance and philanthropy to continuously expand the scope of rural research, discover the pain points of rural development and the difficulties of poverty alleviation, and better grasp the actual situation through special research to strive to create services and products that are more tailored to local conditions.

[Case] CICC continued to carry out research activities on rural revitalization and create characteristic branded projects

In the first half of 2023, CICC and Peking University conducted a questionnaire survey on rural revitalization among over 1,000 rural households from 144 villages in 24 districts and counties of 8 provinces in eastern, central and western regions of China, and formed a unique database. In July, CICC cooperated with Wuhan University to go deep into 59 villages in 17 counties of 7 provinces to carry out the third field investigation. Combined the two methods of village research and special research, we focused on the "behavior research of returnees" (返鄉人群的行為研究) in Liaoning, Zhejiang, Guangdong, Hubei, Anhui, Guizhou and Gansu. 59 villages were investigated, over 320 people were interviewed, and more than 700,000 words of minutes were produced. The research results were collected into a volume, and a special research report named *Dreams Coming True in China's Rural Revitalization* (《心歸田野夢歸鄉》) on rural revitalization was released.



Scene Pictures of Rural Revitalization Series Research

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Special dissemination

A series of promotional graphic videos on the theme of village revitalization, such as the *Power of Women Blooming in the Countryside* 《鄉野間綻放的女性力量》 and *Seeing in Action and Making Achievements* 《行見•有為》, were planned and launched, reflecting the Company's support for the national strategy with real-life stories of village revitalization

The IP of rural revitalization stimulated public consensus, and the "Beautiful Village" themed solar term poster combined solar terms with natural features, folk customs, cultural activities, and labor and farming to show the beauty of the fertile countryside

As the second rotating chairman of the Capital Market Public Pro Bono Alliance, CICC successfully hosted the 2nd China Capital Market Charity Forum with the theme of "Gathering Public Welfare Forces to Help Rural Revitalization" (匯聚公益力量共助鄉村振興)



"Xiangmeizi" (湘妹子) Point Supermarket in "Beautiful Village", Guzhang

Representative of CICC's typical cases of rural revitalization	Honors
	Xinhuanet "2023 Excellent Case of Enterprise ESG Rural Revitalization" (2023企業ESG鄉村振興優秀案例)
Gansu Huining "Insurance + Futures" Project Fujian Nanping "Ecological Value Carbon Sink +" Project	People.cn "2023 Outstanding Cases of Inclusive Finance: Innovative Model Award" (2023普惠金融優秀案例評選之創新模式獎) Financial News
	"Cases of Financial Support for Rural Revitalization Awards 2023" (2023金融支持鄉村振興優秀案例) Nanfang City News 2023 Responsible China ESG Innovation Case - "Rural Revitalization Innovation Case" (2023年度責任中國ESG創新案例之「鄉村振興創新案例」)

6.2 PARTICIPATING IN PUBLIC WELFARE

As the platform of the Company's participation in public welfare and charity, CICC Charity Foundation has always adhered to the concept of "small philanthropy, big vision", that is, starting from small things and being down-to-earth, and has closely followed the major national policies and social development directions. It adheres to the public welfare philosophy of "by the people and for the nation", and gives full play to the advantages of "investment + investment banking + research + public welfare", and makes its own efforts in helping enterprises fulfill their social responsibilities and serve the national development strategy.

Over 10 years since its establishment, CICC Charity Foundation has spread its footprint in 18 provinces (autonomous regions and municipalities directly under the central government) across China and benefiting more than 220,000 person-times. The projects cover the fields of equitable development of education, ecological and environmental protection, disaster relief, rural revitalization and public welfare culture construction in underdeveloped areas. In February 2023, the *Public Welfare White Paper of 10th Anniversary of the CICC Charity Foundation* (《中金公益基金會十週年公益白皮書》) was released, which reviewed the philanthropic exploration and practice achievements of the CICC Charity Foundation over the past ten years with plain text descriptions, powerful philanthropic images, and real and warm philanthropic stories.

Continuous Improvement of the Volunteer Service Management Mechanism

In 2021, **the volunteer service management platform (online information management platform) of CICC** was officially launched, realizing the digital management of volunteer information management, volunteer activity release, online training, and volunteer linkage. By the end of the Reporting Period, over 1,800 employees had registered as members of the "CICC Charity Volunteer Group" (中金公益愛心同行志願團). At the same time, the platform also attracted employees of brother units and other caring partners to participate in related volunteer activities.

In 2023, the CICC Charity Volunteer Group was honored with "**Outstanding Corporate Volunteer Service Team of the Year**" of Corporate Volunteer Service Festival (企業志願服務節「年度優秀企業志願服務隊伍」).



In 2023, we established a "**departmental public welfare contacts**" **liaison mechanism and incentive mechanism** to encourage employees to actively participate in voluntary activities for the public welfare. The communication among departmental contacts smoothed the "last mile" of publicity, coordination and mobilization of the public welfare work within the Company.



In 2023, the **CICC Charity Handbook (Volunteer Participation Handbook)** was released to facilitate employees to learn about the volunteer service activities of CICC Charity Foundation and participate in volunteer service activities.

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CICC Charity Foundation has long adhered to the philanthropic philosophy of “by the people and for the nation”, and has long focused on five aspects: equitable development of education, rural revitalization, ecological and environmental protection, disaster relief and public welfare culture construction, and has organized and carried out public welfare projects and volunteer service activities.

- **Educational equity**

As a foundation with the “genes” of investment banking, it is one of the main directions and missions of CICC Charity Foundation since its inception to “invest” in children, “invest” in the future, help children in underdeveloped areas to obtain more equitable educational resources, and be committed to laying a solid foundation for the long-term development of each child.

[Case] “China Reach” Program

CICC Charity Foundation continues to invest in the “China Reach” program in Guzhang County in Hunan Province, Huining County in Gansu Province, Nimu County in Tibet and Senburi Ecological Relocation and Resettlement Area (森布日生態搬遷安置區) in Shannan City, Tibet. In 2023, a total of 6,986 children benefited from the “China Reach” program, and 234 jobs (childcare counselors and supervisors) were creatively provided in the four places, providing local women with employment opportunities nearby and improving their income levels. In 2023, CICC Charity Foundation also initiated and promoted the addition of a “Mother Class” (媽媽班) module on the basis of the original “China Reach” program in Shannan Senburi, Tibet, to organically combine the high-quality development of children and the high-quality development of women.

The case of “China Reach Helping Rural Children’s Development Project” (慧育中國助力鄉村兒童發展項目) won the “Excellent Case of Rural Revitalization” award of the Capital Market Public Pro Bono Alliance.



Opening Ceremony of Mother Class under the “China Reach” Program



Research Household Visits in Huining County, Gansu Province under the “China Reach” Program

[Case] “One Village, One Kindergarten” Mountain Village Kindergarten Program

CICC Charity Foundation, China Development Research Foundation and the People’s Government of Guzhang County, Hunan Province jointly launched the quality improvement project of “One Village, One Kindergarten: Mountain Village Kindergarten Program” (一村一園：山村幼兒園計劃). The project formed a “Instructor Database for Volunteer Training in Early Childhood Education in Mountain Villages” (山村幼教志願者培訓講師庫), and completed the equipment of software and hardware and construction of cultural walls in all 32 mountain village kindergartens.

The volunteer team of mountain village kindergarten was recognized as the “March 8 Red Flag Bearer” (三八紅旗手) and “Outstanding Volunteer Service Project of New Era Civilization Practice in Guzhang County” (古丈縣新時代文明實踐優秀志願者服務項目) by Guzhang County, and 25 person-times of volunteers won the title of “One Village, One Kindergarten” outstanding volunteer, the “One Village, One Kindergarten Ten Year Special Contribution Award” (一村一園十年特別貢獻獎) and other honorary recognitions.



“One Village, One Kindergarten” Mountain Village Kindergarten in Guzhang

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[Case] Focus on Education Equity and Call on Everyone to Participate In

Focused on the goal of promoting education equity in underdeveloped areas, CICC and CICC Charity Foundation jointly organized public welfare activities such as “First Class of School Quality Education Support” (開學第一課素質教育支教) and “Dream Painting Program” (繪夢計劃) in schools supported by CICC Charity Foundation. CICC invited the media, employees and their families to participate in and put the Company’s public welfare culture concept of “everyone involved in public welfare” into action. Throughout the year, we promoted a number of volunteer service projects such as special education volunteer services, and public welfare fundraising activities such as “Sending Love through Books” (書送愛心).

In June 2023, the “CICC Public Welfare Volunteer Service Base” (中金公益志願服務基地) was launched at the Beijing School for the Blind. The base will organize and drive more CICC volunteers and charity partners through more systematic and continuous volunteer service activities to form a greater synergy for public welfare.



“First Class of School” in Ningxia Jingxing Primary School



“Dream Painting Program” for Children to Experience Heritage Restoration Work

• **Eco-environment protection**

CICC Charity Foundation continues to participate in the construction of ecological civilization in response to climate change and biodiversity conservation, and pilots a comprehensive governance model with the connotation of “rural revitalization + green and low-carbon + biodiversity conservation” as a way to contribute to the construction and protection of China’s lucid waters and lush mountains.

CICC public welfare ecological carbon neutrality forest

On October 11, 2023, the launching ceremony of the CICC public welfare carbon neutrality forest (Yanchuan, Shaanxi) project was successfully held in Longerze Village, Qiankunwan Town, Yanchuan County, Yan’an City, Shaanxi Province. Afforestation of 1,352 mu was completed in Longerze Village and Tanze Village, Qiankunwan Town, Yanchuan County, Yan’an City, Shaanxi Province, and 150,000 Arborvitae trees were planted and managed for three years. Forest ecosystems were artificially restored to help mitigate climate change, enhance the stability and climate resilience of local forest ecosystems, and effectively reduce soil erosion in the Yellow River.



Launching Ceremony of the CICC Public Welfare Carbon Neutrality Forest (Yanchuan, Shaanxi)

Social practice on the theme of environmental protection

CICC Charity Foundation, in collaboration with School of Economics and Management, Tsinghua, established the green public welfare research group of the “Yixing Qianli” (益行千里) brand project. They traveled to Diqing Tibetan Autonomous Prefecture in Yunnan Province to conduct social practice activities on ecological civilization construction in the comprehensive demonstration project area of the CICC Charity Foundation, focusing on “green, low-carbon + biodiversity + rural revitalization”.

2023 CICC Tree Planting Season

In 2023, CICC Charity Foundation organized a total of 7 “CICC Tree Planting Season” activities, and more than 650 volunteers of CICC Charity Foundation planted over 1,200 saplings in Tongzhou, Beijing, Yanchuan, Shaanxi, and Fengning, Hebei.

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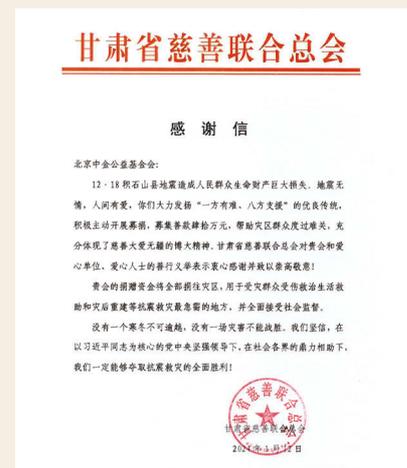
Disaster relief

In the face of major emergencies and major natural disasters, CICC Charity Foundation has given full play to its advantages in resource coordination, actively made targeted material and capital donations, and played an important role in the timely response to major emergencies, disaster relief and post-disaster reconstruction.

“Unite for flood control and earthquake resistance”

In 2023, when serious floods occurred in Beijing and Hebei, CICC Charity Foundation launched the fundraising initiative of “Uniting for Flood Control and Disaster Relief” (眾志成城·防汛救災), which received wide response from all CICC employees, donating RMB1 million each to the Beijing Charity Association and Hebei Charity Federation (a total of RMB2 million) to support the post-disaster reconstruction in Beijing and Hebei.

After the earthquake in Jishishan, Gansu Province, CICC Charity Foundation, together with CICC employees, launched a fundraising campaign themed “Uniting for Earthquake Resistance and Disaster Relief”, donated RMB400,000 to the Gansu Provincial Charity Federation and RMB100,000 to the Red Cross Society of Haidong, Qinghai Province, to support the post-disaster reconstruction in Gansu and Qinghai.



In addition, we continued to explore ways to expand sustainability on a larger scale. CICC Charity Foundation has long supported the “Rural Doctor Training” (鄉村醫生培訓) project of the Tibet Mother and Child Health Association (西藏母子保健協會). As of the end of the Reporting Period, the “Rural Doctor Training” project had held a total of 92 training sessions, with a total of 4,789 village-level medical personnel participating in the training, of which more than 50% were from remote agricultural and pastoral areas. The Capital Healthtech Incubation Engineering Foundation (首都醫療科技成果轉化公益基金會) and the Capital Healthtech Incubation Engineering Center (首都匯智醫療科技成果轉化研究院) initiated by the Foundation established a diversified research funding mechanism and a support system for the transformation of medical achievements to solve the pain points and difficulties in the process of transformation of scientific and technological achievements, and help the transformation of medical scientific and technological achievements and the exploration of innovative models. As of the end of the Reporting Period, we donated a total of RMB38 million to nine transformation projects in pilot hospitals, including 8 projects in 2023, totaling RMB33 million.

Appendix: ESG Index

Subject Areas, Aspects, General Disclosures and KPIs		Page of Disclosure
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	P25
KPI A1.1	The types of emissions and respective emissions data.	P29
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions(in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P29
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P29
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P29
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	P25-P27
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	P25-P27
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	P25
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	P29
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	P29
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	P25-P27
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	P25, P27
KPI 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

Subject Areas, Aspects, General Disclosures and KPIs		Page of Disclosure
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	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 (P30-P55) which have a positive impact on the environment and natural resources.
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	P23-P24
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	P23-P24
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	P67
KPI B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	P68
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	P69

Subject Areas, Aspects, General Disclosures and KPIs		Page of Disclosure
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	P75
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	P75
KPI B2.2	Lost days due to work injury.	P75
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	P75-P77
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	P71
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	P74
KPI B3.2	The average training hours completed per employee by gender and employee category.	P74
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	P67
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	P67
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	P67
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	P19
KPI B5.1	Number of suppliers by geographical region.	P21
KPI 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.	P19-P21
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	P19-P21
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	P19-P21

Appendix: ESG Index

Subject Areas, Aspects, General Disclosures and KPIs		Page of Disclosure
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	P57-P61
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	N/A
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	P63
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	P63
KPI B6.4	Description of quality assurance process and recall procedures.	N/A
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	P59-P61
Aspect 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.	P14-P18
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	P18
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	P14-P18
KPI B7.3	Description of anti-corruption training provided to directors and staff.	P19
Community		
Aspect 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.	P80
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	P80-P92
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	P80-P92

